

# BULLETIN

OF THE  
NATIONAL ASSOCIATION OF CREDIT MEN.

PUBLISHED MONTHLY BY

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41 Park Row, New York.

Entered as second class matter March 11, 1905, at the Post Office at New York, N. Y., under the Act of Congress of March 3, 1879.

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VOL. VIII  
No. 3

NEW YORK, MARCH 16, 1908.

{ SUBSCRIPTION  
50¢ PER ANNUM

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New Members Reported During February.

BALTIMORE, MD.

Fried & Himmel	Morris Himmel
Howard Drug & Medicine Co., The	C. H. Klingel
Weinberg Cloak Co.	Sam'l S. Weinberg

BATTLE CREEK, MICH.

Taylor Bros. Co., Inc.	R. B. Lyman
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BRIDGEPORT, CONN.

Hubbell, Harvey, Inc.	
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BUFFALO, N. Y.

Colonial Bond & Security Co.	Francis L. Hoff
Washburn-Crosby Co.	R. Baird

CHARLESTON, W. VA.

Abney-Barnes Co.	E. A. Barnes
Acme Boiler & Machine Works	G. A. Willey
Bauer Meat & Fish Co.	E. C. Bauer
Cablish Brothers	C. C. Cablish
Charleston Electric Supply Co.	C. B. Peck
Charleston Hardware Co.	P. W. Flournoy
Charleston Lumber Co., The	A. Baird
Charleston Milling & Produce Co.	H. W. Sentz
Clark Liquor Co.	J. P. Clark
Diamond Ice & Coal Co.	I. N. Smith
Elk Milling & Produce Co.	D. F. Hostetler
Eskew, Smith & Cannon	W. J. Eskew
Goshorn Hardware Co., The	W. F. Goshorn
Hammond, F. H., Notion Co.	R. T. Carmichael
Kanawha Drug Co., The	W. E. Connell
Kanawha Mine Car Co.	M. T. Davis, Jr.
Loewenstein & Sons	Joe Loewenstein
Noyes, Thomas & Co.	A. S. Thomas
Payne Shoe Co.	C. F. Armitage
Prince, Mahan & McClure	W. A. Mahan
Schwabe Clothing Co.	Isadore Schwabe
South Side Foundry & Machine Works	G. T. Thayer
Thomas Shoe Co.	Geo. E. Thomas
Tribune Printing Co.	J. M. Mathews
Yellow Pine Lumber Co.	A. M. Finney

CLEVELAND, OHIO.

Feigenbaum, Saul, & Co.	Saul Feigenbaum
Grant, John, & Son Co., The	Roderick D. Grant
Klein & Harris	Joseph J. Klein
Metropolitan Motor Car Co., The	W. L. Robison
National Adjustment Co., The	J. Brice Miller
Ohio Nut & Bolt Co., The	A. A. Bollis
Root & McBride Co., The	Geo. C. Kridler

COLUMBUS, OHIO.

Vermont Slate Co.	H. F. Rohrman, Zanesville, Ohio
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DES MOINES, IOWA.

Windsor Purity Candy Co.	Burris Rogers
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HUNTINGTON, W. VA.

Altizer-Burchett Co.	H. G. Burchett, Treas.
Ashland Paint Co.	J. M. Hawkins, Sec'y-Treas.
Cohen, Joseph	
Drummond, S. A.	
Emmons-Hawkins Hdw. Co.	J. L. Hawkins
Gwinn Brothers Co.	D. B. Gwinn
Huntington Hat Co.	S. M. Croft, Sec'y
Huntington Produce & Feed Co.	W. E. Drummond, Sec'y-Treas.
Koontz Hardware Co.	A. J. Groves
Marshall Grocery Co.	C. L. Clayton, Mgr.
Martin & Miller Grocery Co.	T. E. Hundley, Treas.
Miller, J. H., Co., The	M. W. Dugan, Treas.
Mossman Brothers Co.	G. M. Mossman, Treas. and Mgr.
Sehon, Stevenson & Co.	J. B. Stevenson
Specialty Mattress Co., The	C. F. Edwards
Standard Ptg. & Pub. Co.	Wm. W. McCue, Pres.
Swan Ptg. & Sta. Co.	Chas. H. Burton, Sec'y
West Virginia Rail Co.	H. A. Zeller

KALAMAZOO, MICH.

Kalamazoo Corset Co.	F. R. Olmsted
KANSAS CITY, Mo.	

Ackenhausen Saddlery Co.	Leavenworth, Kansas
Hiawatha Mfg. Co., The	Hiawatha, Kansas
Prier Brass Mfg. Co.	Walter H. Prier

LEXINGTON, KY.

Dodd-Graves Co., The	J. Emmett Graves
Mansfield, R. C., & Son	R. C. Mansfield, Winchester, Ky.
Weisenberger, Phil. J.	Midway, Ky.
Young Mfg. Co.	H. H. Magee
Zaring, J. W., Grain & Mill Co.	Allen Zaring, Richmond, Ky.

LITTLE ROCK, ARK.

Darragh Warehouse Co.	F. J. Darragh
Exchange National Bank	H. C. Rather
Jones Housefurnishing Co.	Levings Sanford
Penzel, C. F., Gro. Co.	W. J. Hodges
Union Trust Co.	Moorhead Wright

MINNEAPOLIS, MINN.

Andressen, Alfred, & Co.	C. E. Mann
Eau Claire Grocer Co.	C. M. Merrill
Minnesota Natl. Bank	J. D. Utendorfer
Pittsburg Coal Co.	J. L. Holmes

NEWARK, N. J.

Bowden, Fred	
Brewers & Bottlers Supp. Co.	C. R. Burnett
Brockie, J., & Co.	B. T. Renshaw
Buehler, Landmesser & Herman	Fred C. Herman
Burroughs Adding Mach. Co.	I. L. Berk
Couse & Bolten	Marshall Bolten
Cowperthwait & Van Horn Co.	Geo. W. Wire
Friedlander, I., & Co.	I. Friedlander
Goldberg Bros.	Jos. M. Goldberg
Harding Advertising Co.	A. J. Harding
Kisch, Edward	
Martin-Zimmerman Tile Co.	Andrew A. Martin
Murray, P. & H. A.	H. A. Murray
Newark Brass Works	L. A. Kempf

Newark News Co.	Alfred Albertson
N. J. Freie Zeitung	Benedict Prieth
Osborn, D., & Co.	Wilson E. Bell
Riley-Klotz Mfg. Co.	Arthur B. Underwood
Roeber & Kuebler	Wm. O. Kuebler
Roy & Charles	Wm. N. Roy
Schwarz & Son.	Jacob L. Schwarz
Schwinn, Henry	John S. Schwinn
Tomkins Bros.	Geo. W. Tomkins
Walsh, R., & Co.	Wm. B. Read
Winans, C. G., Co.	F. W. Dusenberry
NEW ORLEANS, LA.	
Davison, Geo. W., & Co.	Geo. W. Davison
Dun, R. G., & Co.	J. H. Curtin
Middleton Baking Co.	James Middleton, Pres.
Pinski Bros. & Hoffman	J. P. Hoffman
Southern Coffee Mills, Ltd.	D. H. Hoffman, Pres.
NEW YORK, N. Y.	
Associated Trades Credit Exchange	J. F. Durlacher, Pres.
Bruen, Ritchey & Co.	W. P. Ritchey
Bush, W. J., & Co.	S. N. Schouten
Depew, Edward D., & Co.	John L. McLaughlin
OMAHA, NEB.	
Standard Oil Co.	P. F. Schott
PHILADELPHIA, PA.	
Bachman, H. F., & Co.	Penrose Fleisher
Howe Scale Co.	Elwood R. Austin
McIlvaine, John F., Co.	John F. McIlvaine
Scholes, Wm., & Sons, Inc.	Walter Scholes
Welsbach Co.	J. Scott Anderson, Aud.
PIQUA, OHIO.	
Wood Shovel & Tool Co., The	H. K. Wood
RICHMOND, VA.	
Union Envelope Co.	W. H. Palmer, Jr., Pres.
ROGERS, ARK.	
Rogers Whol. Gro. Co., The	Ed. C. Baker
SAN FRANCISCO, CAL.	
Behrendt, Richard	R. Behrendt
Levy Mfg. Co.	H. Levy
N. Y. Belting & Packing Co.	A. H. Gregory
Pacific Coast Rubber Co.	H. C. Norton
Price, G. W., Pump Co.	G. W. Price
Simonds Mfg. Co.	R. H. Scott
STEUBENVILLE, OHIO.	
Gill Bros. Co.	H. B. Grier, Sec'y
McGowan Bros. Co., The	Robert McGowan
Orr's, John, Sons	William M. Orr
Steubenville Pottery Co., The	R. L. Freudenberger, Sec'y
Walker, W. S.	
WHEELING, W. VA.	
Bloch Bros. Tobacco Co., The	J. A. Bloch
Bloch Bros. Tobacco Co., The	A. O. Maxwell
Brennan-Lallance D. G. Co.	J. B. Brennan
Chapman, W. H., & Sons	E. E. Chapman
Delaplaine, D. G., Co.	H. Quarrier, Pres.
Greer & Laing	J. R. Greer, Treas.
Harper & Bro.	Sam'l W. Harper

Hazel-Atlas Glass Co.	W. S. Brady, V. P.
Hicks & Hoge, D. G., Co., The	Geo. D. Maxwell
Hoffmann, J. G., & Sons Co.	E. R. Metzner
Hutchisson, T. T., & Co.	J. A. Blum
Locke Shoe Co.	P. J. Greene
National Bank of West Virginia, The	W. B. Irvine
Northwood, H., Co.	D. A. Taylor, Treas.
Speidel, Joseph, Gro. Co.	Allen Brock
Vance Shoe Co.	W. F. Shaffer
Wheeling Corrugating Co.	W. H. Manning
Wheeling Potteries Co., The	D. J. McKee
Wilson, W. A., & Sons	W. P. Wilson

WICHITA, KANSAS.

McArthur-Kiler Merc. Co.	J. M. Graft
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Assistant Secretary Stockwell has completed the organization of two affiliated branches of the National Association of Credit Men during the past month. Both are in West Virginia. The Charleston Association of Credit Men enters upon its work with twenty-eight charter members, and the Huntington Association of Credit Men with twenty-four charter members.

The officers of the former association are C. C. Lewis, Jr., of Lewis, Hubbard & Company, president; Clark Howell, of Capital City Supply Company, vice-president; and C. F. Armitage, of Payne Shoe Company, secretary-treasurer. The officers of the Huntington Association are J. F. Ratcliff, of Hagen, Ratcliff & Company, president; C. W. Phellis, of E. I. Du Pont de Nemours Powder Company, vice-president; and J. T. McClintock of Watts-Ritter & Company, secretary-treasurer. The activity of several of the charter members as individual members in the past insures the success of these new associations.

NOTES.

The Brown Palace Hotel, Denver, Colorado, is to be the headquarters of the next annual convention of the National Association of Credit Men, to be held June 23, 24, 25, 26, 1908. Reservations in the headquarters hotel or elsewhere should be made at once through John Callis, Chairman of Hotel Committee, Rooms 603-613, Mercantile Building, Denver.

Secretary-Treasurer Chas. E. Meek spent February 24-25 in Denver arranging with committees of the Denver Credit Men's Association for the annual convention of the National Association in June.

President Frank M. Gettys was the guest on the evening of March tenth, of the Credit Men's Associations of Minneapolis and St. Paul, which came together in joint meeting for a banquet given in his honor.

W. M. Haines, formerly of Arnold Print Works, who has long been identified with the National Association of Credit Men, has become assistant cashier of the Citizens' Central National Bank of New York.

An Adjustment Bureau is being organized by the Lexington Credit Men's Association to handle cases of insolvency occurring in Kentucky, east of Frankfort, between it and Louisville. The entire state will be covered by this bureau and that conducted by the Louisville Association.

Plans are being made by the members of the Toledo Association of Credit Men to establish an information bureau on lines similar to those successfully in use in several other affiliated branches of the National Association.

"Twenty Reasons Why You Should Be a Member of the Credit Men's Association" is the title of an excellent leaflet which the Buffalo Credit Men's Association is mailing to prospective members in Buffalo.

The Buffalo Credit Men's Association is to vote at its March meeting on a proposed amendment to the constitution to add to its standing committees the Adjustment Bureau Committee.

The Wichita Credit Men's Association has organized an Adjustment Bureau for handling insolvency claims. A full announcement of the formation of the bureau will be found on another page of this issue.

The Boston Credit Men's Association has issued in pamphlet form the reports of officers and committees made at the annual meeting, held January 21, 1908. With the lists of members and committees for the ensuing year the pamphlet makes a very full index of the association and its work.

A free trip to Denver awaits the member of the Louisville Credit Men's Association who brings into that organization during the next two months the greatest number of new members. Definite arrangements are in progress in that association to send a very large delegation to the Denver convention.

"Fire Protection and Its Relation to Fire Insurance" is to be the subject of an address to be given by Richard I. Wood at the next meeting of the Buffalo Credit Men's Association. Mr. Wood's subject touches closely upon the problems which are having the attention of the Fire Insurance Committee of the National Association.

The Detroit Credit Men's Association has a committee at work studying the question of forming an Adjustment Bureau in Detroit. The committee consists of Wm. D. Gridley, James H. Gibbs and Edw. H. Matthews, who are expected to make a report shortly and outline a definite plan of action.

G. B. Pulfer of the Ideal Concrete Machinery Co., South Bend, Indiana, was a caller at the National office in February. Mr. Pulfer's name is well known to the older members of the Association. He belongs to the large number of early members who are always at its service.

The Mississippi Travelers' Association took an important part in helping members of the National Association of Credit Men to impress upon the legislators of Mississippi the necessity of enacting the bulk sales measure, which has now reached the governor for his signature.

James G. Cannon, one of the honored past presidents of the National Association of Credit Men, was elected recently by the Chamber of Commerce of the State of New York, chairman of its Committee on Finance and Currency. Mr. Cannon is chairman of the special Committee on Currency of this association. A communication from his committee will be found on another page of this issue.

The National Association of Wholesale Grocers will meet in Annual Convention, June 3, 4, and 5, at Atlantic City. The Committee on Arrangements is planning for the largest convention ever held by the association. The list of speakers secured includes U. S. Treasurer Treat, Governor Fort, of New Jersey, Governor Hughes, of New York, and Dr. H. W. Wiley, of the Department of Agriculture.

C. A. Frost, doing business at Evansville, Indiana, in a wide variety of merchandise, including drugs, oils, paints, druggists' sun-

dries, table delicacies, and cigars, disappeared after an active career of three months in that locality, leaving a stock of empty boxes arranged in the front of his store in business-like order. There is quite a long list of creditors eager to find him.

Richard C. Hall, who for two terms was president of the Chicago Credit Men's Association, has been elected president of the Chicago Association of Commerce. This is an association of great prominence which is vigorously at work on problems connected with the building up of Chicago's commercial interests. His choice as the leader in this movement is a genuine tribute to Mr. Hall's ability and public spirit.

The Merchants' Protective Association of New York at a meeting held March 3d re-elected all its old officers and directors. The officers are: Edward D. Page, of Faulkner, Page & Co., president; Phillip L. Schell, of W. Stursberg, Schell & Co., vice-president; Henry P. McKenney, McKenney, Field & Woodman, treasurer, and George M. Gray, of James F. White & Co., secretary.

The Credit Men's Association at Buffalo has set for itself the 200 mark to be reached by June first. All the members are expected to take part in the contest between the two membership committees and aid either one or the other in winning the honors which are coming to the committee securing the larger number of applications for membership.

The National Wholesale Druggists' Association has issued the full report of the proceedings of its thirty-third annual meeting held in Denver, Colorado, October 1 to 5, 1907; also of a special meeting held at New York, June 11, 1907. They make a volume of over six hundred and fifty pages, and a glance through its pages is impressive of the importance of the association not only to the members but to commercial interests in general.

One of the members of the Association had occasion to ask the National office recently for information regarding a certain collection agency. He acknowledged receipt of the information in the following appreciative manner: "We have your favor of the 20th inst., and thank you for your prompt reply. We consider this information we have gotten from you worth the price we pay to the association."

The Butte Association of Credit Men was incorporated the first of the year with a capital of \$3,000 for the purpose of operating an Adjustment Bureau. Some of the functions of an Adjustment Bureau have been performed informally by the members of the association previous to January 1st, and so satisfactory were the results that it was determined that the association should be properly equipped to handle safely all business connected with adjustments.

Secretary Charles E. Meek was the principal speaker at a meeting of the Wholesale Grocers' Association of Southern New England, held in Springfield, Mass., on February 19. Mr. Meek was invited to discuss the credit department and its problems, and particularly the work which the National Association of Credit Men is doing for business men. The attention which was given Mr. Meek indicated the earnest interest which his hearers took not only in general credit matters, but what credit men in organizations can do and are doing.

Houston Brothers Company, of Pittsburgh, has had prepared a leaflet for distribution among the trade entitled "Credit Remarks." It contains such sub-titles as "The Credit Man," "Credit, How to Get It and How to Keep It" and "Incidentally, How to Make Money." It treats upon a great many of the practical every-day matters of credit-making

in a very interesting manner, and especially discusses the impression created by the man who abuses the cash discount privilege. It is a novel piece of literature for a house to mail to the trade "with its compliments."

Secretary-Treasurer Meek left New York February 21st for a visit among the affiliated branches of the National Association located mainly west of the Rocky Mountains. His itinerary included the following cities: Denver, Butte, Spokane, Seattle, Portland, San Francisco, Los Angeles, Salt Lake City and Kansas City. Plans had been made at each city to have meetings of the local association. Mr. Meek's visit will do much to cement the associations more closely together and help to increase the sense of the national phase of each local association's work.

The National Retail Hardware Dealers' Association held its annual convention at Louisville, Kentucky, February 12-13. Many highly practical and important problems in the improvement of the retail hardware business were discussed, and the convention is certain to make its impress for distinct betterment upon that trade. The convention closed with a banquet at the Galt House. Among the speakers were two of the most prominent members of the National Association of Credit Men, namely, Frank M. Gettys, its president, and the Hon. James F. Grinstead, Mayor of Louisville.

A prompt, courteous and business-like response on the part of the New Orleans Credit Men's Association to a request made recently by a non-member in a northern state caused the non-member without delay to send in his application for membership in the National Association. The president of the New Orleans Association, in commenting on the incident, said: "If a more fraternal spirit can be cultivated among the different associations, as well as among the members of the National, much additional good can be accomplished. So far as our association here is concerned, we are ready at all times to look after the interest of outside members if they will only call on us."

The Merchants' Protective Association of New York has issued in pamphlet form the report of its president, Edward D. Page, of Faulkner, Page & Co. The report touches upon every phase of the association's large work during the past year. In it Mr. Page declares that its work has brought to the association the commendation, not only of the members, but of the courts, which have recognized the association as a valuable adjunct to their resources in assisting speedy and equitable adjustments of the affairs of honest, if unfortunate debtors, and in the combat with mercantile crime.

The Committee on Investigation and Prosecution of the National Association desires to correct an error which crept into their letter to affiliated branches of the Association, published in the January BULLETIN. In their letter it was stated that steps had been taken in Denver and other cities to establish a prosecution fund. The fact is that Denver has had a prosecution fund established on a guarantee basis for ten years, and was the first affiliated branch of the National Association of Credit Men to establish a prosecution fund. Denver should not have been included in the list of cities above referred to.

Those are strange credit conditions where a twenty-year-old half-breed without real or personal property of any sort can get credit in goods to the amount of \$600 merely on his word. Such are the conditions prevailing in the fur-trading country of the Far North. There, however, the merchandise necessities of these half-breeds are figured on one hundred to four hundred per cent. profit, because it is a matter

of speculation as to whether the trapper "makes good" or not. The chances are that he will, and his reputation is that he will keep his word and prove worthy of the credit extended. However, at best, it is a case of the fur trader holding out long for his returns.

The newly organized Associations of Credit Men at Charleston and Huntington, West Virginia, are already planning to take up adjustment and credit exchange work. There is also a strong sentiment among their members in favor of accumulating funds for prosecution in cases of fraud. Probably in all these departments the attempt will be made to establish a system of co-operation between the two cities, as their trade interests are quite parallel. In Huntington the members are especially aroused to the need of co-operation among credit men to compel merchants to insure their stocks by making the sale of merchandise to them contingent on protection by insurance. These plans taken up spontaneously by the credit men of West Virginia show clearly the field for associations among credit men in live centers of trade.

The National Association of Credit Men in an endeavor to protect its members against the designs of irresponsible collection agencies is constantly having its attention called to new schemes to catch the business man, suffering momentarily from "mental aberration." A member recently had occasion to investigate a concern, working under a well-sounding name, which was writing trick contracts for a fake directory. The investigation developed this fact with the result that one of the agents of the directory people was hauled before the court, the charges of fraud against him proven, and he was sentenced to the penitentiary to serve ten years. If business men would make it a rule personally to investigate what these fraudulent canvassers for collection agencies say to them, and refuse to sign any of the innocent-looking papers they offer until fully satisfied, the business of these fakirs would cease and a great source of annoyance to business men be destroyed.

One of the principal speakers at the annual banquet of the Manufacturers and Producers Association held in Nashville, Tenn., February 4, was J. L. McWhorter, a director of the National Association of Credit Men. Mr. McWhorter's subject was "Future Prospects of Industrial Development in the South." He brought out the reasons for the South being until comparatively recent years a strictly agricultural community, but showed that capital with the sharp competition of to-day could no longer draw raw material where it wished, but raw material must inevitably draw capital to it. Mr. McWhorter pointed out what this new condition meant to the South with its incalculable resources capable of supporting under the most favorable auspices of climate and employment a dense population. He showed also that with the increasing competition in the South, cost of production and distribution must be watched more carefully, and adjustments must be made on the basis of decreasing net profits.

The following words from the pen of an economist and statesman of Europe in observation of this country during the panic of 1857 seem wonderfully applicable to the American people in their troubles of 1907-1908.

"The effect of the late crisis will no doubt be to throw the people more completely on their moral resources, to teach them that they must be more faithful to principle; that to be great, wealthy, and happy, it is not only necessary that manufacturers should be extended, that commerce and trade should be enlarged, that capital should be augmented, that industry

should exhibit new energy, that roads should be improved, arts and sciences patronized, schools be built, and universality be given to institutions of religion; but that the morality, prudence and integrity which enable them to look along extended lines of possible action, should be combined with that remarkable tact which undoubtedly characterizes the Americans."

The Membership Committee of the Philadelphia Credit Men's Association has issued to each member "a call to arms" with the slogan "To Denver with 600." As a first step the committee has been sending literature and letters to a selected list of merchants and manufacturers of Philadelphia who ought to be interested in Association work, and is arranging to have each of the parties so circularized seen personally with a view to securing their application for membership. In making its appeal for a united effort to reach the 600 mark, the committee has addressed the members as follows: "To accomplish our purpose the co-operation of each member is essential, as the work involved is too great to be done by the committee alone. A list of those to whom literature has been sent is enclosed and you can render valuable aid by calling personally on such firms as contain business or social acquaintances. They will doubtless listen to you where they might refuse to be interviewed by a stranger. Help the committee. Do your part in the cause."

The case of E. Margolies, who with conspirators operated under the title Poughkeepsie Bargain House, Poughkeepsie, New York, and who has just been brought to the bar of justice, reveals an extraordinary and flagrant case of grand larceny. Soon after starting in Poughkeepsie, in September, 1907, the store made a statement to the commercial agency showing assets of \$8,200 and \$900 in bills "not due." This secured a good rating and credit. Immediately bills of goods running from \$100 to \$300 were bought on 60-day terms from as many wholesale houses as possible, and consignments began to arrive at Poughkeepsie daily in large numbers. Some of these were shipped without opening packages to other sales depots. When the 60-day term had elapsed the Poughkeepsie store closed and the proprietors disappeared. The district attorney of Dutchess County was asked to make an examination, as a result of which a fraud of large proportions is revealed. The total shipments are known to have reached \$40,000, and it is believed will reach \$100,000. There are believed to have been a dozen conspirators involved. The result of the district attorney's findings will be watched by a large number of creditors.

The twelfth annual convention of the National Association of Clothiers was held at Hotel Astor, New York City, March 2, 3 and 4. This organization has been a great factor in improving conditions in what has become in this country a business of immense proportions, the manufacture of ready-for-service clothing. It was the credit side of their business which influenced the manufacturers originally to come together, but of course the work soon broadened out and evils in other departments have been studied and are being gradually eliminated. One of the most important plans before the conference was to form a conference committee in conjunction with the American Woolen & Worsted Association to bring about a thorough understanding between mills and clothiers to adjust differences and arrange for arbitration when necessary. Plans were also considered to form a National Legal Bureau to represent all interested members after the failure of a customer, and to guard the interests of as many as possible in cases of impending trouble, in

other words to bring unity of action in settlements and bankruptcy proceedings. Marcus M. Marks was re-elected president of the association practically unanimously.

There has been published in pamphlet form an address on "Fire Prevention" delivered by Mr. Powell Evans, president of Merchant and Evans Co. of Philadelphia, before the National Hardware Association. Those who attended the Chicago convention of the National Association of Credit Men in June last, will recall the reading there by J. A. McKee of a letter addressed to him by Mr. Evans on this same important subject. The letter was quite in harmony with the report of the Committee on Fire Insurance presented to the Chicago convention, for the committee urged that there are no better organizations than the local associations of credit men to arouse over the country an interest in fire prevention methods. Mr. Evans in his address before the Hardware Association lays special stress upon the fact that the means of reducing fire loss are now well known, and that there is a fund of sure knowledge on the subject which, if widely known and acted upon, will surely reduce the fire losses of our country to the reasonable averages of other civilized lands. He urged that it is the duty of every house, in a measure, to insure its neighbors as well as itself, against fire loss, and if this broad view is taken as it is in France, for instance, the individual will study the true method of insurance namely, prevention, and apply what he learns to his own affairs, and then logically ask that his neighbor follow the same course probably through the passing of proper ordinances by his own municipality. These thoughts are deserving of profound consideration on the part of every business man.

The Adjustment Bureau of the Chicago Association has just concluded the following case of adjustment which should lead every credit man to take heed of the possibilities of the bureau for his own insolvency cases:

"The debtor was a corporation operating several general stores in Winnebago and adjoining counties, and was considered responsible for requirements. One creditor, whose account was getting unusually large, sent a representative to collect. The payment obtained was unsatisfactory and caused an inquiry to be started. This brought to light the insolvent condition of the concern and the case was promptly passed to the bureau. There were twenty-six creditors, nearly all located in Chicago. Within a few hours' time, by using the telephone, we had secured more than three-fourths of the claims in number and amount, and with this showing we met the officers and attorneys for the corporation. Their figures showed assets and liabilities about equal and they claimed sufficient money could be raised with which to make a cash settlement of 47 per cent. This offer could not be passed upon intelligently without the creditors first ascertaining on their own account the amount of assets. It was, therefore, arranged to take an inventory at once. This gave the basis for insisting on a better settlement and 66 2-3 per cent. was finally paid. On the bureau's recommendation all creditors came in and the adjustment was completed within ten days. The expense to creditors was .013 per cent. pro rated, and the bureau's fee was 5 per cent. By the old method the case would have gone into bankruptcy and the final outcome any one could guess."

The American Chamber of Commerce in Paris and the Chamber of Commerce of the State of New York have passed resolutions endorsing

the movement which has recently been undertaken to establish a special school for Consuls and Diplomats in the National Capital, by the enlargement of the College of Political Sciences connected with the George Washington University in Washington, D. C. This movement is probably inspired by the efforts of Secretary of State Elihu Root, who as is well known, has been giving much attention to the consular service of the United States with a view to making our Consuls better prepared to assist in the extension of its trade in all parts of the world, and better able to bring about a closer intercourse with foreign nations. The Hon. David Jayne Hill, American Minister to The Hague, speaks of this need of the country in these words:

"The growth of business interests, the extension of American commerce in every part of the world, the enlarged responsibilities which the country has assumed since the Spanish-American war, and the more intimate relations with foreign nations into which this country has recently entered, are sound reasons for a broader educational outlook and a more ample preparation for public life.

"The fact that no existing institution of learning affords an adequate opportunity for the study of the new questions which have arisen in connection with the commercial and political development of the country and of the world has led to the suggestion that it is timely to consider the establishment of a SPECIAL institution having for its purpose the more thorough study of the resources of this and other countries, the means of production and transportation, the systems of law and forms of government and the methods of administration, together with the existing treaty relations, commercial and colonial enterprises, means of communication, modes of transacting international business, and the means of promoting peace and amity among nations."

The following round trip rates have been established for the convention of the National Association of Credit Men, to be held in Denver, June 23, 24, 25 and 26, 1908: From Chicago, \$30; from St. Louis, \$25; from Missouri River points, \$17.50.

Members of the National Association of Credit Men are warned against entering into contracts with concerns soliciting bad and doubtful debts for collection without first communicating with the Secretary of the Association or the Secretary of any affiliated branch. Under no circumstances should members pay fees in advance for services to be rendered in connection with the collection of such accounts.

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#### Progress in Getting H. R. 13266, Embodying Amendments to the National Bankruptcy Act Before Congress.

O. G. Fessenden, chairman of the Bankruptcy Committee of the National Association of Credit Men, accompanied by William H. Hotchkiss, Esq., referee in bankruptcy, and Congressman Swagar Sherley appeared before the special sub-committee of the House Committee on Judiciary February 18th to argue for a favorable report on Congressman Sherley's bill to amend the bankruptcy act. The sub-committee has decided to refer the amendatory bill to the Judiciary Committee with recommendation for favorable action. It is expected that the full committee will shortly give a hearing, at which time Chairman Fessenden will arrange for presentation of arguments and petitions in favor of early and favorable action.

In response to the letter sent by the Bankruptcy Committee to all the affiliated branches of the National Association of Credit Men under date January twenty-ninth there have poured into the committee copies of a large number of resolutions, petitions and letters forwarded to Representatives and Senators in Washington. These communications mark a widespread demand for the passage of the amendments confined to no special sections of the country.

Other bodies besides those connected with the National Association of Credit Men are taking hold of the movement heartily, and already the committee is in receipt of copies of resolutions approving the committee's efforts from the National Boot and Shoe Manufacturers' Association, the Boston Chamber of Commerce and the Boston Merchants' Association.

The committee urges that the members continue this excellent work and secure favorable action from as many more commercial organizations as possible all over the country.

#### **A SERVICE WHICH THE CREDIT DEPARTMENT METHODS COMMITTEE IS RENDERING THE ASSOCIATION.**

##### **A Letter From the Committee.**

As all members are aware, or should be, the National Association of Credit Men has for a number of years, upon application, supplied its members with Property Statement and Trade Inquiry forms, the cost to the membership being placed at the lowest possible figure to cover the actual expense connected with their issuance. The forms in use are the result of much labor and thought on the part of the members of the various committees on Credit Department Methods, and are generally recognized as superior to any similar form now in use.

The attention of the membership is directed to the most recent changes which have taken place in these forms, namely, the incorporation of the questions, "What books of account do you keep?" and "If you have pledged or transferred outstanding accounts or property remaining under your control, state amount thereof and amount received or to be received on account of such pledge or transfer." The most important value of the first question from a general point of view is, that under the bankruptcy law creditors can prevent the discharge of a bankrupt who, with intent to conceal his true financial condition, destroyed, concealed, or failed to keep books of accounts or records from which such financial condition might be obtained.

It has frequently developed that where the affairs of a bankrupt were being looked into, under the examination which the law provides, the bankrupt would state under oath that he never kept books of account, and it has frequently happened that a member of our Association has been able to produce a signed statement containing an affirmative answer to the question I have referred to. Referee Hotchkiss, chairman of the Executive Committee of the National Association of Referees in Bankruptcy, and a leading authority in bankruptcy practice, is said to consider the question one of the most important to be included in the statement of a man's financial condition. The second question is also very important, especially in these times when companies have been organized for the purpose of advancing moneys either on accounts receivable or on merchandise, in either case the property being left in the control of the borrower whose books failed to record the transactions. It is said that a large concern which recently went into the hands of a receiver had assigned from time to time for money advances the greater part of its

accounts receivable, which action was unbeknown to the merchandise creditors. This subject has come in for a large amount of discussion on the part of credit men.

Members who are not familiar with the forms adopted by this Association should write the Secretary-Treasurer for sample copies and schedules of prices.

J. W. SPANGLER, JR., *Chairman.*

**Denver, the City of the 13th Annual Convention of the National Association of Credit Men.**

The attractions of Denver for the visitor, its methods of hospitality and its opportunities for wonderful day trips are told by Lee Haney in the *Great Southwest Magazine*. He says no locality holds out so full a measure of entertainment, sightseeing and vacation as does Denver and those parts of Colorado near Denver.



PRESIDENT RALPH R. GILLETTE.  
DENVER CREDIT MEN'S ASSOCIATION.

Denver has the usual beautiful parks of American cities, with magnificent lakes, museums and zoölogical gardens and these are worthy a few leisurely hours on the part of every stranger to Denver. Wherever one goes in the city is the ever present distant mountain range view with its eternal snow, making the sure reservoirs of pure water for the people of Colorado.

But it is Denver's surroundings which offer peculiar delights to the traveler and give him delightful impressions which he brings to mind in after years, always with renewed pleasure.

"There are the one-day trips out of Denver offered by the Moffat Road, which takes you into perpetual snow at the crest of the Continental Divide and back to Denver the same day. The Colorado & Southern

has its famed "Loop" trip via Georgetown to Silver Plume, from which point trains on the new Argentine Central road are operated. The "Switzerland Trail," running up to Ward; a restful jaunt to Eldorado Springs, Mt. Morrison and other nearby mountain resorts will be advertised in June by the publicity departments of the respective lines—and they are well worth some time and consideration.

"The Pike's Peak region, of which Colorado Springs and Manitou are local centers, abounds in attractions and diversions. The Colorado Midland, Denver & Rio Grande, Cripple Creek "Short Line," the Manitou & Pike's Peak cog road, not to mention the numerous burro and livery establishments, offer trips of from a few hours to an entire day into the mountains and to well known points of interest, each a little different from the others. The Rio Grande trip to the Royal Gorge is ordinarily offered once weekly. Passengers from the Pike's Peak district, and even Denver, are taken on an excursion into the Royal Gorge and



SECRETARY K. K. MAYER.  
DENVER CREDIT MEN'S ASSOCIATION.

returned the same day. The train is personally conducted and is equipped with a luncheon and refreshment car. The Colorado Midland's "Wild Flower" excursion provides a form of recreation and pleasure peculiar to itself. The trip covers sixty miles in both directions, and passengers are given an opportunity to gather magnificent mountain wild flowers to their heart's content. The train also carries a refreshment car and is personally conducted. A trip into the great gold fields of Cripple Creek and vicinity is made over the Colorado Springs & Cripple Creek line, "the one day trip that bankrupts the English language." Very few tourists visit the Pike's Peak region without making a trip upon the cog road to the summit of that historic old sentinel of the Rockies. Then there are the "High Drive" and the "Low Drive," Cliff Dwellers' Cañon, with its quaint pueblo, Santa Clara. Here Navajo Indians disport them-

selves in real war dances, wearing real Indian regalia, and here half a day may be profitably spent. Parties desiring to get further away, where camping, fishing and "down close to nature" recreation may be had, will find along the lines of the Colorado Midland and Denver & Rio Grande railways numerous resorts and nooks to their liking. Prominent among the resorts is beautiful Glenwood Springs, only a night's ride from Denver or the Pike's Peak region, on the lines of both railways mentioned. This resort is noted for its mineral springs of marvelous medicinal properties, and for its famed hot swimming pool, which has a capacity for 1,000 bathers. It is also a summer social center. Daily trains are operated to the more nearby resorts, Cascades Cañon, Green Mountain Falls and Woodland Park over the Colorado Midland.

"It would be well worth the time of any person interested in the great development of the Western Slope to make a trip to Grand Junction, only one night's ride from Denver on the Denver & Rio Grande



ASSISTANT SECRETARY H. A. C. MATHEW.

DENVER CREDIT MEN'S ASSOCIATION.

and Colorado Midland lines. The Grand Valley, now a formidable rival of California's most productive fruit sections, is a marvel of beauty. Land in the vicinity of Grand Junction and Palisades is selling for from \$1,300 to \$3,000 per acre. In hundreds of cases, however, the buyers of this land have paid for it in two years by the sale of fruit. The United States government has authorized the expenditure of \$50,000 toward putting through the 'High Line' ditch near Grand Junction, which will bring under water 7,000 additional acres of fruit lands.

"It would require pages upon which to spread the fame and manifold attractions of the little resort of Manitou, nestling at the foot of Pike's Peak, but reference to its famous mineral springs must not be omitted. Her three largest springs each give forth a different mineral water. These waters are soda, iron and sulphur, and they are all grouped

within a radius of a mile. Manitou's hotel accommodations are splendid, and the same is true of Colorado Springs. A trip from any point of the district through the Garden of the Gods may be made within two hours. Hiawatha Gardens and the Cave of the Winds at Manitou, and South Cheyenne Cañon, Broadmoor and many beautiful municipal and private parks are easily accessible from Colorado Springs."

Such are the attractions awaiting the delegates to the convention. All these with the efforts being made by the committees on arrangements to insure the comfort of every visitor, the opportunities being planned to bring credit men together and learn to know each other as intimately as possible, and the matters of vital business import which are to come before the sessions of the convention combine to insure a program which should draw to Denver the largest representation of credit men ever gathered together.

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#### **The Committee on Currency in an Open Letter Discusses the Aldrich Bill.**

The Committee on Currency under date of February twenty-ninth, addressed the officers of all affiliated associations of the National Association of Credit Men as follows:

The Committee on Currency appointed by authority of the Board of Directors given at its meeting held at Indianapolis, November 11 and 12 last, desires to bring before all the members of the association for their consideration and action, the Aldrich Emergency Currency Bill now before Congress, a copy of which with amendments is enclosed. This bill brings to the members an opportunity to act unitedly for currency improvements and for opposing ill-advised currency measures.

We believe the Aldrich Bill is calculated to do great harm to business interests if enacted. It is simply a makeshift, offers no adequate remedy for the glaring defects of our currency system, and, because of the cumbersome machinery provided, would afford little, if any, relief to a panic stricken community.

The country is not calling for any such legislation at this time. Financial opinion is largely arrayed against it, and the bill should not be allowed to become a law on the plea that "something must be done before Congress adjourns." It would be far better to do nothing at all than to pass such an obstructive measure. Should the bill become a law, it would shut the door to legislation fundamentally corrective for years to come, and conceivably make a bad situation much worse than would be possible under the laws that we now have.

The vitally defective points of the bill include:

First—Its utter lack of elasticity. The measure is an emergency device, pure and simple. Panics never follow one another in quick succession. Several years usually elapse between them. On that account there is no reason whatever for undue haste in passing legislation which is inadequate in affording the sort of relief that the country really demands. It would be worse than folly, therefore, to enact such a makeshift measure just as the public mind is becoming enlightened as to what is vitally needed, and what ought to be demanded by the advocates of true currency reform.

Second—It is altogether probable that such a law would make the Treasury a greater factor in financial affairs than it is to-day. Whenever there might be a serious flurry in the money market it would be possible to appeal to Washington with the result that the "emergency" might be

precipitated so as to afford pretext for granting the sort of relief that the bill provides. It is readily conceivable that such a use of the emergency proposals would lead to greater inflation and be productive of much mischief, including, possibly, the the depletion of our gold reserve.

Third—The use of state, municipal and railroad bonds as the basis for the currency provided by the Aldrich Bill is, perhaps, its most vital defect. The virtue of real emergency currency lies in the fact that the security behind it consists largely of liquid assets which mature in due season, and in that way retires the notes which are based upon it. The security prescribed by the Aldrich Bill is not of this character, but represents permanent indebtedness in the form of bonds which are oftentimes not readily marketable. Advocates of the bill have made a point of its virtue in giving "value and stability to local securities" by making it possible for the banks to use such collateral as the basis for new circulation. This shows plainly that the tendencies of the bill are toward a dangerous inflation and that indiscriminate use of state, municipal and railroad bonds as a basis of emergency currency may be productive of the greatest possible harm. Instead of restoring confidence, the passage of such a measure would tend to make thinking people more nervous respecting the serious complications that the operation of such a law might lead to.

The bill should be opposed vigorously by all conservative business men as being inadequate as a measure of thoroughgoing currency reform.

Your committee ask that this matter, one of the most important before our people to-day, be taken up at once by all local associations, and petitions or resolutions prepared and sent to your Representatives and Senators in Congress protesting against the enactment of the Aldrich measure. Kindly send copies of the same to the National office.

There should be no delay in taking this matter up. If dangerous and fallacious measures are promptly disposed of, the chances are much increased of getting the country finally upon a sound currency basis.

Trusting the committee will have your hearty co-operation and that action will be taken by you without delay.

Very truly yours,

JAMES G. CANNON, *Chairman.*

DAVID S. LUDLUM,

HARRY NEW,

GEORGE K. SMITH,

W. C. WEAVER.

If the conclusions of the committee meet with the approval of individual members, they also are asked to use their influence with the Representatives of their states to Congress to defeat this measure. The text of the Aldrich Bill, with amendments made to February fifteenth, can be had upon application at the National office.

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#### The Wichita Credit Men's Association Organizes An Adjustment Bureau.

An adjustment bureau for the handling of insolvency claims has been organized by the Wichita Credit Men's Association. The officers are: John L. Powell, of Johnston & Larimer Dry Goods Co., president; John B. House, of Lehmann-Higginson Grocer Co., first vice-president; Guy Truex, of Morton-Simmons Hardware Co., second vice-president; Tipton Cox, of Cox-Blodgett Dry Goods Co., treasurer; Willis Davis, of Southwestern Drug Co., secretary.

This will give the Association an adjustment bureau in a section which for many of our members has been hard to reach, and it will be a

cause of much satisfaction to them to know that the Association has now provided a means of securing in that field trustworthy information regarding unsatisfactory accounts and a settlement of insolvency cases through the co-operation of the creditors. In announcing the formation of the bureau to the National office the Adjustment Bureau Committee of the Wichita Association says, "Inasmuch as we are at the extreme western line of jobbing centers which are located on this side of the Rocky Mountains we shall have to adjust estates where all of the other eastern associations are interested, and we feel that we can be of great benefit and service to all who do business in this section of the country. We assure our prompt and best attention to all business sent to this bureau."

#### ADJUSTMENT BUREAUS.

##### Summary of the Proceedings of the Conference held at Philadelphia, Pennsylvania, February 11-12, 1908.

In response to a call issued by H. L. Eisen, chairman of the Adjustment Bureau Committee of the National Association, a conference of managers, secretaries and others connected with adjustment bureau work in the local associations was held February 11-12. The delegates to the conference were the guests of the Philadelphia Credit Men's Association at the Bellevue-Stratford Hotel, where every arrangement had been made for their comfort. Upon assembling at its first morning session President Charles G. Rapp, of the Philadelphia Association, extended a cordial welcome to the conference, immediately after which a permanent organization was formed by choice of H. L. Eisen as chairman, and Charles E. Meek as secretary.

Upon the call of the roll by cities the following responded; Baltimore, by S. D. Buck and H. W. Bennett; Buffalo, by W. A. Joyce; Cincinnati, by Henry Bentley; Cleveland, by J. B. Pearce, W. F. Lyon and F. B. Bicknell; Columbus, by B. G. Watson; Denver, by R. R. Gillette; Grand Rapids, by R. J. Cleland; Kansas City, by F. W. Yale; Louisville, by W. Walker; Memphis, by C. S. Dashiell; Milwaukee, by H. L. Eisen and S. F. Wetzler; Nashville, by George M. Thomas; Newark, by H. E. Littell and A. C. Courter; New York, by A. H. Alexander and C. E. Meek; Philadelphia, by D. S. Ludlum, Charles G. Rapp and J. B. Colahan, 3d; Pittsburgh, by A. C. Ellis and T. H. Sheppard; Rochester, by W. L. Dobbin; Toledo, by L. B. Hall; Youngstown, by W. C. McKain and F. G. King.

The conference then listened to the reading of the recommendations adopted by the Cleveland conference of adjustment bureaus of 1907 and the resolutions based thereon passed by the Chicago convention in June of the same year. The secretary stated that the resolutions passed by the Chicago convention had previously been agreed upon by practically all the adjustment bureaus, before their formal adoption by the convention.

Chairman Eisen then introduced David S. Ludlum, Second Vice-President of the National Association, who, after extending a greeting to the members of the conference to his home city, said: "During to-day and to-morrow you have some very serious work to perform as delegates to this conference. It is my opinion that there is no feature of our respective local association work which can do so much towards strengthening our usefulness and power to the National Association of Credit Men throughout this country as can proper adjustment bureau development along the lines of the seven aims and objects which the National Association in conference adopted at Baltimore in 1906.

"I am strong in the belief that there is no feature of our local asso-

ciation work which can do more harm to our local associations and in turn reflect upon the National Association because of our relationship to it than to allow any local association adjustment bureau to be run by individuals for their personal benefit. And it is to safeguard against this condition of affairs that I hope you will give very serious thought. By your actions at this conference you can uphold and increase the present exalted reputation of all our associations. The National Association is in hearty sympathy with this adjustment bureau work, because it is the development of the highest standard of co-operation which reaps the greatest amount of good to all concerned. Yet the fact is plain that in some quarters certain interests have endeavored to secure the management of various bureaus for personal gain.

"The Philadelphia Association was the first in the east to undertake this work, and we converted our investigation and prosecution committee into an adjustment bureau for the handling of both adjustments and prosecutions with one set of rules and regulations. At the outset we recognized that our work would be mostly of an educational nature communicating to one credit man the advantages to be derived by operating in cases of embarrassment and insolvency with his competitor credit man. We raised a fund and our committee has disposed of a large portion of the same, and while we cannot show on the record of our adjustment bureau a large number of cases wherein the co-operation of a sufficient number of creditors was secured to gain all we sought, yet where we did secure co-operation the adjustment of the concerns' affairs were evidently successful.

"As I said before, our work has been along educational lines, and I feel that I am in a position which warrants my making the statement that we have been very successful in that direction even if it has taken considerable of our fund. We have at least created a tendency toward co-operation in such cases as our members and others have been interested in. It is true we have been criticised because many seem to feel that all they have to do is to send in their claim to the bureau, secure 100 per cent., or else learn that the bureau has put the debtor in jail. These are our members to whom we have to explain the nature of our work again and again. But the spirit of co-operation in cases of embarrassment and insolvency is sweeping over the entire country. Many evidences have been seen of this during the past five months of financial distress, and I believe the agitation of this work by the various association adjustment bureau committees has, in a great measure, brought about this condition. Personally during the last few months I have had occasion to suggest a method of adjusting the affairs of two large concerns, and my suggestions were adopted. The liabilities of one of these concerns was nearly a million dollars, the other about half that amount. In both cases every creditor co-operated in accepting the proposition of settlement offered and arranged by committee of their number. Neither of these two concerns stopped doing business for a moment, and I feel quite certain that in each case the creditors will receive one hundred per cent. and interest for their claim. Had court or bankruptcy proceedings been resorted to, it is my opinion that in the case of the larger concern the creditors would not have received more than 35 or 40 per cent., while in the other case probably only ten per cent.

"Both of these adjustments were handled along lines which accord with my idea of adjustment bureau work. That is, we brought together a sufficient number of the largest creditors, appointing a committee which, in turn, solicited the co-operation of all other creditors, until they as a committee had time to investigate the condition of affairs, arrange a

settlement for each creditor based upon his legal rights and secure said creditors' acceptance of the same.

"These adjustment bureaus of our various associations which are operated in line with the recognized aims and objects adopted at the annual convention of the National Association held at Baltimore in 1906, form the ideal medium through which this kind of work is to be done, and that we do this class of work I claim is a duty not only to ourselves but to the debtor, if he be honest, and what is far more important to the community at large, for through this method we save the daily wage to the employees and the sacrifice of merchandise as against a competitor who frequently is your own customer. In other words, you prevent the forced sale of your own goods against your own goods. This is all possible through our adjustment bureau, but the creditor must do his share of work, he must not simply send in his claim and render no additional assistance in securing the co-operation of others interested. During the adjustment of the two cases referred to, I secured the co-operation of several creditors who mentioned that this was precisely the line of work which had been steadily advocated by the National Association of Credit Men.

"Therefore I say, keep up the good work, and make it as far reaching as possible. You must advocate that no bureau try to handle cases unless a sufficient number of creditors will aid. If enough of the creditors do not solicit your aid, or you cannot secure enough to join forces with you, you will only be criticised, because in such cases you can do so little."

At the conclusion of Mr. Ludlum's address the conference listened to the reports of delegates upon the work and experiences of their respective bureaus during the past year. In the limits of this summary it is impossible to bring out all the excellent reports, but a few are included for the purpose of giving an idea what the bureaus are doing.

The report of one bureau analyzed each case closed during the year, showing the problems each involved, and brought out the fact that the average settlement secured for creditors was 47 $\frac{3}{8}$  per cent.

Another reported that it had in a very marked degree obtained a closer co-operative feeling among its members, and the willingness and desire of the creditors to meet for mutual protection under the guidance of the commissioner proved conclusively that the bureau idea is an established and growing fact. This bureau since its inception had received for attention 216 cases, 103 of which had been handled by other bureaus, and 21 of which were withdrawn because they were collection matters and not properly within the scope of the bureau work. The actual work of the bureau was, therefore, on 195 cases. The aggregate amount of the claims in the 195 cases was \$146,890.75, and final disposition has been made of 52 cases, with the following result: Bankruptcy cases, aggregate of claims in 37 cases, \$26,431.04; dividends realized for creditors, \$8,392.63, or 31 7-10 per cent.; amicable cases, aggregate of claims in 15 cases, \$24,378.09; dividends realized for creditors, \$11,442.95, or 46 per cent. The rules under which the bureau operates provide for the appointment of a committee of creditors in each case referred to it, which committee has direct charge, in conjunction with the commissioner, of the adjustment of its own cases. No action of the bureau is taken without the sanction of such committee. The general bureau work is under the direct charge of a management committee of five members, and no distribution of funds on closed cases is made without the written approval of at least two members of this committee. The work of the bureau is therefore under the direct control and guidance of the

creditors interested in each case, and supervised by its management committee in conjunction with the commissioner, who is the executive of the joint interests.

Another bureau said that at the time that the bureau was started it was as an adjustment bureau, under the direction of the committee of the local association. It was felt that the beginning would be attended with the loss of some money, and the association funds would not stand for it all. So the guarantee plan was adopted, and a certain number of members guaranteed to stand up to a given amount of loss on the first year's operation. At the end of the first year there was a slight loss, and as it was clear that the proposition would take more or less money it was decided that it should be given some capital to start on, and therefore an incorporation for the amount of \$3,000 was formed. Since September 17th, this association has the record of having kept as running concerns eight different stores, and has bought goods for these stores amounting to large sums. One of the principles of the bureau is that where the slightest proof of fraud can be found no compromise will be made, and there is a fund subscribed amounting to \$10,000 for the purpose of prosecution, and the advertisement which has been given to this fact has undoubtedly done much to deter men from doing fraudulent acts.

Another manager said that his bureau had had its troubles, as all bureaus had, and met them as they arose. One of the things, he said, that gave him reason for greatest congratulation is that there are three or four institutions in his district that are continuing business to-day by virtue of the operation of the adjustment bureau preventing failures where failures were imminent and keeping the men in business. These concerns are going along, the creditors are paid, or the payment is arranged for, and calamity that was right on tap at the time has been avoided in each one of these cases.

"At first," he said, "we had some difficulty in getting the co-operation of our members. We had the usual amount of obstruction from attorneys' offices, we have met them in the bankruptcy court and we have met them in creditor's meetings, but we have been reasonably successful in having matters handled by the creditors themselves in the manner in which they started out to handle them.

"It has not always been easy for us to impress the foreign creditors with the correctness of a plan that we have outlined, but as the plan has always been outlined by the creditors locally after taking it under very careful consideration, the result has been each time all that we predicted that it would be, and consequently it is less difficult for us now than it was a year ago or at any time to get the co-operation of foreign creditors in any matter that comes under our control. We have also been successful in allaying the antagonism of collection attorneys, who thought we were entering into the open field of competition with them, and we now find little difficulty in getting them to co-operate with us, and they do not try to disturb any liquidation we undertake or embarrass us in any way."

There were many other reports of like tenor, citing difficulties here and there, and most all of hopeful vein.

At the conclusion of the presentation of reports the secretary read letters from managers of distant bureaus which could not be personally represented, and also an important message from President Frank M. Gettys, of the National Association. Mr. Gettys wrote as follows:

*Mr. H. L. Eisen, Chairman Committee of Adjustment Bureaus.*

MY DEAR MR. EISEN:

I deem the conference of managers of adjustment bureaus most

timely and hope the deliberations in Philadelphia will be productive of great good. The association at large is fortunate in having within its membership men who, like yourself, having no pecuniary interest in any branch of the organization, are willing to devote the necessary time and ability toward the furtherance of the work of the organization.

We have reached a critical point in the development of adjustment bureau work, and I feel that on the result of this conference depends to a large extent the further growth or death of this great movement.

Springing up in a night, as it were, it is reasonable to expect that it would take time to effect a homogeneous working connection between the different associations, all independent of the strict regulation by the National Association as they are. The movement has attracted the attention of the business world at large, and while the officers and directors of the national body lay no claim to superior wisdom, they are possessed of superior *information*, and I deem it my duty as president to point out in no uncertain language some tendencies that I think the managers should discuss.

There is no data on which to base our plan of procedure, but the larger associations, it seems to me, have not so serious a problem to solve as some of the smaller who have attempted adjustment bureau work, and in considering these complex questions the relative strength of our different associations should not be overlooked.

The future of the whole plan depends on how the individual bureaus are handled, and I would set down as a general basis that the larger associations should confine themselves strictly to adjustments and nothing else. The volume of business from the handling of insolvent estates in the large centers is ample to pay all expenses, and the line between them and collections can and should be drawn, although I recognize that the line of demarcation between a collection and an adjustment is often hazy and one merges into the other.

A more serious condition confronts the association of, say, 100 members, which, recognizing that work is life and that mere social intercourse from a monthly meeting is not satisfactory or productive of sufficient good, attempts an adjustment bureau. Up to the present time these smaller bureaus, with a few exceptions, have not been able to secure enough adjustments to meet the ordinary expenses and pay a salary sufficient for a first-class manager to give it his entire time and attention. Whether or not the natural growth, coupled with the increased business that will come from members who have not been giving the bureau the patronage they should, will remedy this is a question for the future to decide, but in the meantime an *immediate* problem is confronting these associations. From this one cause, viz., the lack of income, there has arisen the excuse and apparent necessity of handling certain collections, dunning letters, 2 per cent. drafts, etc. We must grant to these associations the right to live, but experience has shown that the tendency to turn such a bureau into a collection agency can hardly be controlled. The offices are not equipped to handle ordinary collections in great volume, and the result has been a choking up of the machinery of the office and a neglect of field work so necessary in successful adjustments.

The other alternative is to make what invariably proves an entangling alliance, and we see a few associations sheltering some private organization with their name and prestige, thereby dragging down in a measure the influence and high standing of our organization when legislative and other work is before it.

Since it is apparent that two evils are to be considered, I suggest that the former one is the lesser. In my opinion when an account reaches

the stage where an attorney's draft must be made, seven times out of ten it has reached a point where an investigation and adjustment should begin. In other words, comparatively few of these so-called two per cent. or three per cent. drafts are paid, and the road is straight for an adjustment.

Therefore, I say that in choosing, or rather tolerating the lesser of these evils, the smaller association with a bureau not quite self-sustaining, might adopt a draft or dunning letter system under proper restrictions such as have been in use in several associations long before the Adjustment Bureau question came up.

However, I doubt the wisdom of the existence of bureaus in those cities where adjustments are not sufficient to keep it employed, but it is not the future establishment of *additional* bureaus of doubtful strength that you must consider, but the present conglomerate condition that has arisen from the quick growth of this movement, and you will hardly be able to say to this or that association, "you must drop this and adopt that," without a disintegration of the entire local association.

I would recommend therefore,

1st. To those associations where adjustments are sufficient to pay expenses and a reasonable return on any investment that may be made, that they cling steadfastly to this principle, for on such the bureaus are founded.

2d. That those now in existence who have adopted a draft or other limited collection system, not having sufficient income from adjustments, use such only until the growth of the adjustment work of the bureau warrants their discontinuing same, so that all bureaus may be managed on the lines as originally planned.

3d. Those associations contemplating the organization of an Adjustment Bureau of not sufficient strength, had better be satisfied with an Information Bureau or some other practical work, until they are able to support an Adjustment Bureau along the lines as originally intended. In short the establishment of such in the smallest associations should be discouraged.

The temptation then for an alliance with outside organizations will be largely removed, and this brings us to a point that cannot be too strongly impressed upon the local associations. It is expressed in resolutions unanimously adopted by the Board of Directors at Indianapolis, November 11, 1907, as follows:

"WHEREAS, The National Association of Credit Men was organized for the purpose of carrying out certain definite objects set forth in Article II of its Constitution, and has from the start opposed the use of the association for pecuniary profit; and

"WHEREAS, It has come to the attention of the Board of Directors that persistent efforts have been made in the past, and in some quarters are still being made, to obtain through alliance with the association the use of its influence and prestige for private gain; therefore be it

"Resolved, That we, the Board of Directors, in annual meeting assembled, do emphatically protest against this organization being made an instrument for fathering, promoting or advancing the private interests of any person, persons or corporations; and be it further

"Resolved, That we do earnestly request every affiliated branch to use the utmost care to avoid entering into any alliances which are contrary to the objects and purpose for which the association was organized, and which it has steadfastly labored to maintain.

"Resolved, That a copy of these resolutions be forwarded at once to every affiliated branch of the National Association of Credit Men."

If we are to keep our independence, any tendency in this direction should be discouraged at once.

Our great element of strength in our different branches of work, particularly our legislative, is that we are a clean, independent organization without any axe to grind except the one in sight—our own, and a departure from this fixed, though unwritten law, will weaken us.

The work of the local bureaus *can* be carried on without departing from our present standards, and this committee might well be changed to a committee of *Information and Adjustment Bureau*, for in the smaller associations, many of which are turning to practical work, it has been found that the information bureau feature supplies an attractive, inexpensive, and most valuable addition to a local association, and the Adjustment Bureau can follow logically in due time.

In conclusion I urge an immediate adoption of a more uniform and systematic working arrangement between yourselves, with the belief that with such you will be in a better position to ask and merit the increased patronage of our members.

Yours truly,

FRANK M. GETTYS,

President.

A committee consisting of F. W. Yale, W. F. Lyon and A. H. Alexander was appointed to arrange a program of topics to be discussed at the remaining sessions of the conference. The work as above outlined completed the sessions of the first day, whereupon adjournment was taken until 9.30 A. M., February 12th.

#### SECOND DAY'S SESSION.

Promptly at 9.30 A. M., February 12th, the second day's session was begun. Chairman Eisen called upon the secretary to read the rules regulating the proceedings of the conference, after which the report of the committee appointed to arrange a list of topics for discussion by the conference was presented by the Chairman of the Committee, F. W. Yale, and was adopted as follows:

1. Assembling of Claims.
2. Methods of Influencing the Co-operation of Creditors.
3. The Attitude of Adjustment Bureaus Toward Non-members of the Association.
4. Desirability of National Association Supervision and Control of Adjustment Bureaus.
5. Miscellaneous Topics.

The first topic, namely, "Assembling of Claims," was taken up. Under this heading announcement was made of an action taken by the Executive Committee of the New York Credit Men's Association discontinuing the work and operation of its Bureau of Insolvency Claims, certain facts with reference to the methods employed by some of the operating adjustment bureaus being advanced in justification of said action. The discussion that followed developed the necessity of general uniformity of operation, and that to be successful in gathering claims, operating bureaus should be able to inform the creditor fully as to the assets, liabilities and all pertinent facts connected with each particular case promptly. The best results, it was shown, are to be secured when requests for assignments of claims reach the creditor from the operating bureau in advance of any other source; that experience had demonstrated that creditors of insolvent estates are more inclined to rely upon informa-

tion regarding the debtor's condition furnished by Adjustment Bureaus of the Credit Men's Association than information furnished them from outside sources; that frequently the information sent by an operating bureau is too scant and meagre to satisfy the creditor that his interest would be properly safeguarded and protected by placing his claim in its hands; that with proper evidence that a bureau is in full and intelligent possession of all the facts in an insolvency case, there can be little difficulty in gaining the confidence of fair-minded creditors and the authority to represent them.

In order to expedite transactions between bureaus, and give each a clearer understanding of the progress being made in each case in which they are interested, the following resolution was presented and adopted:

*"Resolved*, That all claims received direct by the operating bureaus must be reported to the forwarding bureau from which territory it had been received, and that a copy of all communications sent creditors until the case shall have been settled must be mailed to the bureau from which said claims have been received."

The next topic for discussion was "Methods of Influencing the Co-operation of Creditors." It was generally agreed that the only effective method of increasing the spirit of co-operation among creditors is to have the bureaus strive earnestly and indefatigably to give in all instances a square deal and make it clear that local creditors will get no advantage over foreign creditors.

It was the consensus of opinion that the whole subject of influencing the co-operation of creditors to place their claims with the adjustment bureaus of the association was largely a matter of education, and it was recommended that each adjustment bureau distribute as widely and freely as possible information regarding their objects and methods, and to that end a resolution was adopted requesting operating bureaus, when communicating with creditors, to transmit also a printed leaflet containing among other matters of information the objects and aims of adjustment bureaus as adopted by the annual convention of the National Association, held at Baltimore in 1906, which are as follows:

1. To investigate, upon request, the affairs of a debtor reported to be insolvent and adjust the estate, when possible, without court proceedings.
2. To secure capable and efficient Receivers, Appraisers or Trustees when Court proceedings are found to be necessary.
3. To secure quick adjustment of all honest failures at the minimum cost and with the maximum dividend to the creditors.
4. To facilitate and economically secure extensions or liquidations when, upon investigation, it is found to be to the best interests of all.
5. To influence concerted action by the creditors for the benefit of all.
6. To assist creditors to acquire for their own use the estate of failing or insolvent debtors, when mutually agreed upon.
7. To prosecute or assist in the prosecution of the guilty party or parties when investigation discloses fraud or the intent to defraud.

"The Attitude of Adjustment Bureaus toward Non-Members of the Association" was next considered; after a lengthy discussion the following resolution was presented and adopted:

*"Resolved*, that the operating bureaus, in requesting assistance of forwarding bureaus in the assembling of claims, advise that they are interested in the settlement of the estate in question on behalf of one or more members of the National Association of Credit Men."

The subject of the "Desirability of National Association Supervision and Control of Adjustment Bureaus" was taken up. This proved to be one of the most interesting and important subjects considered at the conference. The subject was very thoroughly discussed and the fact brought out that a lack of uniformity in methods was occasioned by local conditions. It was unanimously conceded that the time had arrived when more direct and closer relationship must exist between the National Association and the Adjustment Bureaus, and with a view to securing discussion and action by the National Association, the following preamble and resolution was presented and adopted:

"WHEREAS, the discussion in this convention relating to National supervision of Adjustment Bureaus, has developed a strong sentiment in its favor; therefore, be it

"Resolved, that the National Committee on Adjustment Bureaus be, and it is hereby requested, to formulate and present to the next annual convention of the National Association of Credit Men, rules and regulations for the government and control of Adjustment Bureaus, with recommendation for their adoption."

The following resolution was presented and unanimously adopted:

"Resolved, that the secretary-treasurer of the National Association be requested to gather statistics from Adjustment Bureaus for the use of the National Committee on Adjustment Bureaus in the preparation of its annual report."

Under the subject of "Miscellaneous Topics" a number of matters were presented and discussed, which resulted in a better understanding between the managers in the matter of details connected with the handling of cases.

The conference evidenced the wisdom of the National Committee on Adjustment Bureaus in calling the managers and secretaries together, and the effect was to establish a better appreciation of the opportunities presented by this phase of National Association endeavor.

The meeting adjourned with resolutions and many expressions conveying the warmest appreciation of the delegates to the conference for the splendid hospitality which the Philadelphia association had given them. It was the general feeling that nothing was left undone to give the delegates every comfort and facility.

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On the evening of the first day of the conference a dinner was given to the visitors by the Philadelphia Credit Men's Association. The principal address was made by Edward D. Page, president of the Merchants' Protective Association of New York on the work of his association in punishing and preventing fraudulent failures. Mr. Page said that the experience of his association standing for the principle that in business the common good of the whole shall be preferred to the immediate self-interest of the individual firm is one of the items in the complete answer to the superficial denunciation so loudly proclaimed in these days in the general slander of "commercialism."

The address of welcome was made by J. A. McKee for the Philadelphia Association, who declared that the genius and conscience of American business life to-day demands square dealing, and that under the guidance of the adjustment bureaus of the National Association of Credit Men this rule is to be sustained and made firmer.

H. L. Eisen, Chairman of the National Committee on Adjustment Bureaus, then delivered an important address, which in part was as follows:

"It is probably unnecessary for me to say that I feel gratified to have this opportunity to meet with your association. On behalf of the

Adjustment Bureau Committee, I desire to offer my thanks to you for the courtesy of your invitation and also for the hospitality already shown us. We have concluded the first day of our conference. Experiences, varied and diversified, have come to our attention. Truly, no manager has been able to report that he has had his path strewn with roses, and that, perhaps, is best proof that the magnitude of the undertaking should not be underestimated.

"It is not my purpose to discuss with you to-night the numerous points at which our adjustment bureau system will stand strengthening. That is a matter which should properly come before the conference now deliberating, and further involves so wide a range of detail that I shall not incur the risk of tiring you by going over it now. Again, purely local conditions are of no interest to those foreign to the sections directly affected unless they be of such a nature as to assist the outsiders in meeting and bettering their own peculiar conditions. Therefore, I do not purpose to review our proceedings in the conference to date, but to call to your notice certain general principles upon which the whole adjustment bureau rests.

"As a proposition of simple logic, it is clear that many having a common interest, working together in behalf of that interest, to further a definite purpose, are more likely to arrive at that result than though they were proceeding each in disregard of the others. The moral of the father's injunction to his sons to bind themselves together for mutual strength, as were the bundle of fagots, has as much virtue to-day as when we first read that excellent and time-hallowed tale in our school primers. The old spirit in the business world, 'each man for himself, and devil take the hindmost,' is gradually being relegated to the past, together with many other false principles; now we call for a sympathetic, strong and intelligent understanding between business men, and a hearty co-operation in the accomplishment of that understanding.

"Perhaps there is no occasion when the advisability, at least, if not the necessity, of such concerted action is so apparent as when a debtor is found in failing circumstances. The case is one which requires diagnosis first of all. Is the condition hopeless, or can it be alleviated? If so, will an extension of time, for example, work that end? If that be the remedy, shall the debtor remain during the period of indulgence under the surveillance of his creditors, or shall he continue his business on his own responsibility? But whatever measure be adopted, in no event should precipitate action be taken. True, on the other hand, there should be no needless delay, for an insolvent man is frequently desperate and procrastination is often highly inadvisable.

"Usually, your debtor's plight is such that your first instinct is to realize on your account at once, or at least to secure it. But what does all your diligence avail you? More frequently than not, your conduct has probably been the traditional last straw, and generally the debtor's affairs are promptly forced into bankruptcy and you are summoned to surrender your preference. How much better it would have been for you and others similarly situated to have joined forces, and through some reliable medium assumed charge of the debtor's affairs, and at a minimum of expense and delay, administered them for the benefit of all. There can be no more ideal means to the ends sought than our bureau system, predicated as it is, upon the broadest aspect of mutuality and equality, and the further principle of revenue, not for profit, but for self-support only.

"Then again your bureau has no motives of self interests to serve; it is entirely free from the necessity of making selfish alliances with attorneys for the purpose of swinging a trusteeship or gaining control

of an estate. There is not one of you probably, who has not been a sufferer because of the almost wanton disregard of duty displayed by a large percentage of attorneys engaged in the so-called commercial departments of the law. Because of your indifference and neglect and mine, those lawyers have enjoyed what has grown into a prescriptive right to treat as their own property, for their own advantage, insolvent and bankrupt estates. And who is to blame for this? That class of lawyers undoubtedly for loose ethics, but you and I, more than they, for making such a state of affairs possible. Strangely enough, when we should be most concerned with our debtors, that is when they have failed, we gracefully and hastily shed all responsibility, as one who having done a poor job, thrusts it aside as an eye-sore. I do not argue that we personally should handle our own insolvency adjustments, and of course we cannot treat such matters when they reach the courts. I concede and urge that they should be placed in the hands of men, the managers and attorneys of our bureau, who have the time and the expert skill to bring to the work a proper attention. But, I do maintain that when the machinery for the work is under our direct supervision and control, when we build dams against the flow of wasteful expense and delay, our losses will be lessened and eventually the number of failures materially reduced.

"That there is much force in all this, is evidenced by the attitude of commercial lawyers. You may remember that at last summer's session of the Commercial Law League of America, resolutions looking to an investigation of our bureau movement were adopted. The franker element of the fraternity, speaking through one of the members, declared that the credit men were right in their views so far as dishonest and self-seeking lawyers were concerned. 'We must rid ourselves of them,' he added.

"I do not wish to be misunderstood in this connection. The lawyers fill an honorable and necessary office in the commercial scheme of civilization. We emphatically need them, and in the proper performance of their functions, it has been demonstrated that they and the bureaus can labor side by side, well and honorably.

"I only touch in passing the numerous ways in which a given case can be treated by us. The methods are as varied as the circumstances. Trust arrangements to continue a debtor's business, or to sell his assets in bulk are frequently resorted to. Under our guardianship, voluntary compositions can be made when the conditions permit. Again bankruptcy proceedings may be employed if necessary. Honest failures should be carefully discriminated from deliberate cheats, and the latter should be vigorously and untiringly investigated and followed up by the proper remedies. All this is possible if we will co-operate. When the motive and operation is once generally understood, I do not mean a vague, indefinite, superficial understanding, but a thorough knowledge gained either through experience or study, then you will find that their worth will be appreciated. When every credit man in the country connected with the association has absorbed this knowledge, then the one essential element of co-operation will be supplied. Then the bureaus for the benefit of the credit men will be the tribunal of business disasters.

"You have heard all this before; you have read it in the literature of the Association; and your faith in it is to be measured only by your experience with it. If you have tried it as I have, and have derived the same satisfactory results, you will be prepared to endorse the idea just as heartily as I do. Well, a good doctrine will bear repeated preaching, and if it were within the power of my ability, I should not cease my missionary work among credit men of the country until I had converted

them to our system, or at least induced them to give it a fair and intelligent test. However, I do not intend to do any more talking to-night, further than to say that I feel toward the adjustment bureaus as did the statesman who declared that he loved peace so well that he was willing at any time to fight for it.

"We are now getting the back-wash of a recent financial unpleasantness. Failures may be more numerous throughout the country than when normal conditions prevail. This is perhaps a psychological time for me to appeal to you for your co-operation, and I hope and have no doubt that with the proper sentiment to back us, the result will amply justify your faith and mine."

Frank W. Yale, of Kansas City, then spoke on "Loyalty to Association and Co-operation Through the Association." Addresses were made also by F. G. King, of Youngstown, B. G. Watson, of Columbus and Secretary-Treasurer Charles E. Meek, of New York.

**The Activities of the Legislative Committee of the National Association of Credit Men—Some Problems the Committee Wants Advice In.**

**A LETTER FROM THE COMMITTEE.**

The subject of the Bulk Sales Law is uppermost in our minds at this time, and the members will be interested in knowing that the Bulk Sales Law has passed the Ohio Senate unanimously, and is now in a committee in the House for consideration. Retail merchants in Ohio are also at work for the passage of the bill. The Mississippi Bulk Sales Law has passed the Senate and the House. In the latter place an amendment was made which was concurred in by the Senate. The amendment appeals to your committee as a good one if the courts will sustain it. One very helpful influence in Mississippi was the work of the Mississippi Travelers' Association which took a very active interest in behalf of the passage of this bill. The amendatory bill to the Bulk Sales Law in Maryland has passed the House of Delegates and is now in a committee in the Senate. The chances for its becoming a law are very good.

The Fictitious Name Bill has passed the Ohio Senate unanimously, and is now in the hands of the Judiciary Committee in the House.

A recommendation was made to the National Board of Directors that some action be taken with a view of proposing legislation designed to prevent watering of stock in corporations whose operations are along commercial and manufacturing lines. The Board of Directors referred this question to the National Legislative Committee with the request to propose such line of action as in the committee's judgment it would be best to follow at this time. This question was treated in the September, 1907, National BULLETIN, in an article by William C. White, Esq., of the New York Bar, under the title "Watered Stock at Common Law." The committee wants expressions of opinion on the question as to the manner in which the Association can be of the greatest service not only to its own members but to the business community at large, in preventing or eradicating this evil, which is productive of so much harm in a financial way. Each of us knows of corporations that were organized for the purpose of taking over the business of some individual or partnership where merchandise or accounts were taken over at grossly inflated figures, which operation finally resulted in bankruptcy of the corporation and in the paying of but a fractional amount of its indebtedness. There are three views expressed on this question:

1st. The common law rule is that what the corporation agrees to accept as payment for the stock is conclusive even though the property may be turned in at a valuation largely in excess of its real value.

This for all practical purposes is the same as the "Good Faith" rule next mentioned.

2d. The "Good Faith" rule is that where corporations receive property in payment for stock at a valuation which is more or less in excess of its real market value nevertheless if the transaction exhibits good faith, that is that no fraudulent purpose is shown, the stock is fully paid and the creditors cannot take exception. This rule tends to open the door to promoters turning in new and untried patents, franchises, mining prospects and other affairs in intangible property rights as well as tangible property at figures grossly in excess of its real market value and places the risk of the hopes and expectations of the promoters being realized upon the shoulders of the creditors who may extend credit on the basis of the apparent showing made. Actual fraud is generally hard, if not impossible to be shown. In support of the "Good Faith" rule it is argued that in these days no business man relies upon formal capitalization as a basis for credit. This may be so, as far as the large and better managed business houses extending credit are concerned, but the other arguments in favor of the "Good Faith" rule show that the larger part of the investing public are fooled and then it must be realized that the laboring classes and the small business man and the inexperienced are continually taken in by false appearances. It is also argued in favor of the rule that it tends to promote new enterprises because it is easier to sell stock at a discount and it enables the corporation to conceal its real earnings from competitors and tends to keep the state legislatures quiet.

3d. The true value rule means that where property is turned in in payment for stock the transaction must show the property was taken at its real or reasonable market value, and that where over-valuation is shown that to the extent of the over-valuation the stock issued therefor is unpaid and the creditors may require further payment. The arguments in favor of this rule are

- (a) Every principle of justice and honesty demands it.
- (b) It publishes to the world a definite basis for credit.
- (c) It assures the creditors of a fund for the payment of debts due them.

(d) It tends to conservatism, and prevents the capitalizing of mere hopes and expectations of the promoters. It prevents the use of names of responsible persons as stockholders or directors for corporations where perhaps they have no real pecuniary interest and excites the interest of such persons in the success or failure of an enterprise where they have actual investment to protect.

(f) It is beneficial to the interests of all corporations doing business with bona fide capital.

The arguments against this rule are those in favor of the "Good Faith" rule.

Different suggestions have been made to prevent this practice of watering. It has been recommended that the Massachusetts provision be accepted, namely, submitting to the Commissioner of Corporations a statement under oath by the directors, of the proposed transfer of merchandise in payment for stock of its agreed upon value. The efficiency of this provision would depend largely upon the man occupying this position. One of the leading authorities on the question of corporation law calls attention to the fact that very few Massachusetts cases are found on the question of watering stock, reasoning from this that the

law has been effective. We express no opinion as to this at this time. We should like to have some suggestions from associations and members as to what our Association (or particularly our committee) can do in this matter. As conservative business men we should propose some fair and practicable measure which will conserve to us all the benefits of such an instrument of trade as a corporation and will eradicate the evils and keep the corporation within its proper limits. We must remember that our proposition must appeal to the sense of fairness of all the states so that in time uniform action may be taken thereon.

Another question that has been brought to the attention of the National Committee is one relating to collection agencies. Many complaints have been made regarding certain agencies that are active only along the line of collecting the first retainer fee and then rest. The remedy suggested to us is that all the agencies be compelled to register at the proper offices of the different states and secure a license from them for the purpose of doing business in the state and that such license shall be withdrawn in case complaints are filed and charges proven. What is your suggestion in this matter?

A. J. GAEHR,  
Chairman Legislative Committee.

#### OBITUARY.

##### I. A. Wile.

I. A. Wile, of Rochester, N. Y., whose name is well known to the members of the National Association of Credit Men as manager of the Adjustment Bureau of the Rochester Association, died at Saranac Lake on February 17th.

Mr. Wile was born at Palmyra, N. Y., on March 25, 1853, and was graduated from the University of Rochester in the class of 1872. The larger part of his business life was spent in Rochester in the practice of his profession, the law, but for several years he was engaged in business in Syracuse. This combination of legal and business experience eminently fitted him for adjustment bureau work and made possible the marked success which he attained in this work in Rochester.

He was a man of cheerful disposition and an indefatigable worker who will be greatly missed by the credit men of Rochester, for many had learned to rely upon his keen insight in collection matters. The place his death has made vacant will be hard to fill.

The deceased leaves a wife and two daughters.

#### The Bulk Sales Law in Mississippi.

The measure which members of the National Association of Credit Men have been pushing before the legislature of the State of Mississippi has been favorably acted upon by both houses of the legislature, and the governor has informally expressed his sympathy with the bill, so that there is little doubt of its enactment.

An amendment to the original bill as presented in the senate was made in the house, and in this the senate concurred. The full text of the bill is given below, and the amendment is embodied in the second section.

A BILL TO BE ENTITLED "AN ACT FOR THE PREVENTION OF FRAUDULENT SALES OF STOCKS OF MERCHANDISE IN BULK."

Sec. 1. Be it enacted by the Legislature of the State of Mississippi:

That a sale of any portion of a stock of merchandise otherwise than in the ordinary course of trade or in the regular and usual prosecution of the seller's business, and a sale of an entire stock of

merchandise in gross, shall be presumed to be fraudulent and void as against the creditors of the seller, unless at least five days before the sale,

(a) The seller shall have made a full and detailed inventory showing the quantity, and so far as can be done by the exercise of reasonable diligence, the cost price to him of each article to be sold; and,

(b) The purchaser shall have, in good faith, made full and explicit demand of the seller for the name, place of residence and business and post office address of each of his creditors and the sum due each, and to which demand the seller shall have made for said time full and truthful written answers; and,

(c) The purchaser shall have in good faith notified personally or by mail each of the seller's creditors of whom he has knowledge, or with the exercise of reasonable diligence could have acquired knowledge, of the proposed sale and of the cost price of the merchandise proposed to be sold and of the price to be paid therefor by the proposed purchaser.

Sec. 2. That in case of the destruction of a stock of merchandise by fire upon which there is insurance against such a loss, the holder of such insurance policies shall within five days after such loss notify his creditors to whom he is indebted for merchandise of his loss, and the amount of insurance carried; and no such policy or policies of insurance shall be transferred or assigned for ten days after such notice; nor shall any such insurance be paid for fifteen days next after the occurrence of any such fire.

Sec. 3. That nothing in this act shall apply to official sales by sheriffs, constables, executors, administrators, guardians, receivers, commissioners, trustees in bankruptcy or any public officer.

Sec. 4. That this act shall take effect from and after its passage.

#### A DEFINITION OF A PROSECUTION FUND.

By JOHN T. PLUMMER, EX-PRESIDENT OF DENVER CREDIT MEN'S ASSOCIATION.

It has been said:

Little puffs of powder,  
Little dabs of paint,  
Make the Chorus Lady

Look like what she ain't.

I understand this charge has been brought against the Prosecution Fund—that it "looks like what it ain't."

In my opinion a prosecution fund is not an engine of private vengeance, nor a remedy for private grief.

When properly advertised or used it is a preventive influence against fraud, and a powerful incentive to honest commerce.

None but a subscriber is or should be entitled to its benefits.

The Denver plan, as so far developed, requires the judgment of a committee on the evidence submitted when a fraudulent failure is charged.

When in the judgment of the committee the evidence is such that the District Attorney can act, that official is consulted, and if proceeds, the fund is available, under the direction of the committee, and a refund is, in my judgment, due the members who have paid any money for the evidence.

The permanent maintenance of a prosecution fund is all-important. It should not be drawn upon at will by one or more subscribers who have suffered at the hand of a supposedly dishonest debtor. Those

who have suffered should put up the money to be spent in obtaining evidence, expecting a refund only in case the District Attorney takes action.

If other subscribers to the fund who are not interested in the alleged dishonest failure are called upon to foot the bills for trying to obtain proper evidence only to find that the evidence is insufficient, they will soon weary of the plan and the valuable prosecution fund will cease to exist. It must be borne in mind that subscribers pay nothing when they sign for the fund and are therefore deprived of no property or rights when the use of the fund is denied except under the plan provided.

Bear this definition in mind: A Prosecution Fund is an ever ready pledge for the protection of the business community against provable fraud. Its popularity and renewal from year to year will depend upon its proper safe-guarding.

An "Evidence Subscription" is unimportant until it appears that certain merchants have been defrauded in a given case. Then those merchants may subscribe cash pro rata with their claims and control the disposition of the same until the matter reaches the District Attorney's hands and is acted upon by him.

#### THE RIGHT OF A CORPORATION TO TRANSACT BUSINESS IN A STATE OTHER THAN THE STATE OF ITS CREATION.

AN ADDRESS GIVEN BEFORE THE MINNEAPOLIS CREDIT MEN'S ASSOCIATION BY WALTER H. NEWTON, ESQ., OF THE MINNEAPOLIS BAR.

Lack of uniformity in the laws of various states, as affecting business corporations, is one of the most perplexing problems which confronts the business life of large commercial corporations to-day. Probably the credit men of such corporations have occasion to deal with this problem more than any other persons connected with the institutions. To illustrate:

A salesman carrying his line of samples calls on a merchant just across the line of the state within which his house is located. He sells a bill of goods. The order is sent to the house, and the credit man, after due investigation, considers the risk is satisfactory and approves the order for shipment. The bill falls due, and is not paid, and is finally placed in the hands of an attorney. Suit is finally brought. The customer does not deny the claim, but sets up as a defence that the plaintiff, a foreign corporation, has failed to comply with the laws of the debtor's state regarding foreign corporations doing business within the state. As a penalty for this non-compliance the legislature of his state has decreed that the debt shall be absolutely void.

Practically all states have passed foreign corporation laws, the main requirements of which vary but little. These laws require usually the filing of certified copies of the corporation's charter with the Secretary of State, designation of a resident agent upon whom service of process may be made, and the payment of a stated fee. Some of the penalties for non-compliance are not as drastic as the one used in the illustration. They all, however, provide a penalty which is almost as severe.

In considering whence comes the power of this state legislature to declare void or to render non-enforceable such sale contracts, let us first look at the nature of the corporation.

Chief Justice Marshall called the corporation "a mere creature of the law." "Being a mere creature of the law," he goes on to say,

"it possesses only those properties which the charter of its creation confers upon it, either expressly or as incidental to its very existence." By creating this artificial person the legislature thus invests two or more persons with the power to act in the capacity of a single individual, with a common name, and the privilege of succession in its members without dissolution, and with limited liability. But its existence, tenure of life, rights and privileges, depend solely upon the will of its creator, as it is expressed in the terms of the charter. As the legislature has the sole power to create, it follows that it may grant this privilege upon conditions and to whomsoever it may please."

When our constitution was adopted corporations were known and had been in existence for many years. At this time many business men had availed themselves of this special privilege. But as business increased and commerce crossed state lines corporations came into more general use. They made contracts outside of the state of their creation. And the question arose as to their validity. A law of course can have no extra-territorial force. A corporation was merely a creature and depended for its existence upon the law of its creator—state. It naturally followed as a matter of reason that a corporation could have no existence beyond the limits of that state whose laws made its existence possible. It followed that if it had no existence it could of course make no contracts.

Notwithstanding all this it appears that most of the corporations had granted to them in their charters the right to do business anywhere through its agents. With a view to a more free commercial intercourse, and hence a more united country, the Supreme Court of the United States held in construing one of these contracts that the Law of Comity, whereby one country often gave effect to another's laws, was applicable between the states, and that unless an express statutory or constitutional prohibition or the public policy of the state wherein the foreign corporation had entered and made the contract, said "no," that a corporation had an existence outside of the borders of the state of its creation. It thus followed that such foreign corporation could to that extent make and enforce contracts therein.

It is apparent, then, that if a state legislature chooses to prohibit or restrict, except upon condition, a foreign corporation from transacting business within the state it may do so.

It was not long before the state legislatures passed laws restricting a foreign corporation from doing business within their states. One such case arose in Virginia. An insurance agent representing a New York company doing business in Virginia was arrested in accordance with the Virginia laws for the failure of his corporation to file certain papers and to pay certain fees as a condition precedent to its doing business within the state. The Supreme Court of the United States held that the right of that corporation to do business in Virginia was a matter of Comity; that the Law of Comity cannot compel the courts of a state to recognize such a corporation and enforce its contracts when to do so would be contrary to its public policy or laws.

It is maintained in this case of Paul vs. Virginia, found in the 8th Wallace reports, that two constitutional provisions had been violated by the State of Virginia in arresting Paul. It had been early decided that a corporation was a citizen of the United States within the meaning of the constitutional provision extending the judicial power of the United States to controversies between the citizens of different states. The constitution also granted, "To the citizens of

each state, all the privileges and immunities of citizens of the several states." The court held, however, that a corporation was not a citizen within the meaning of that clause. That the term "citizen" as there used applied only to natural persons owing allegiance to the state, and not to artificial persons that were mere creatures of the state legislatures. For it was not the intention to give an extra territorial operation to state laws. It can easily be seen how such a policy, if carried out to its ultimate result, might destroy the independence of the state governments.

Are there any other provisions in the constitution which might restrict the rights of a state over foreign corporations? The constitution has this provision: The Congress shall have power, "To regulate commerce among the several states and with the Indian Tribes." At the time of its adoption we had finished as a nation a critical period of our history. There were thirteen states and it was understood that this number would be increased. Each of these states possessed powers common to all independent nations. Hence there was the power to regulate their own commerce. In doing so they could and did discriminate in favor of their own citizens, and against the citizens of other states or nations. It is obvious that under such circumstances there could be no such thing as harmony touching the commercial relations between the states. Realizing this, we find that some of the states attempted to agree upon a system among themselves, but failed. The system of one state nullified the plans of another. A change was necessary if peace and prosperity were ever to be enjoyed. It seems to be the opinion of most writers, that of all the various conditions which led up to the adoption of the constitution this chaotic condition regarding commerce was probably the most powerful.

With the distressing effects of the lack of uniformity in their interstate commercial relations, together with the desire to free themselves, it must have been intended by the makers of the constitution to make the grant as extensive as the mischief. It could not do otherwise and give relief. This power to regulate was early defined as, "The power to prescribe the rule by which commerce was to be governed."

On the one hand, we have then the power of the state to create a corporation at its own pleasure and discretion, and the consequent power of excluding such foreign corporations according to the particular whim or desire of the state legislature. Upon the other hand we have the power of Congress to regulate commerce among the several states. Do they conflict? To illustrate:

A Minnesota corporation ships goods into North Dakota. This, of course, is commerce between two states and is hence interstate commerce. The North Dakota laws set forth certain requirements which a foreign corporation must comply with before doing business in that state. As a penalty for a failure to comply, the contract is made absolutely void. This state does not in express terms prohibit interstate commerce, but it restricts it except upon conditions to be performed. It is hence a regulation. The legislature is prescribing a rule by which commerce is to be governed. In the case of *Gibson vs. Ogden*, Chief Justice Marshall, in a clear and lucid opinion which is cited to-day in nearly every interstate commerce case, held that the power of Congress to regulate commerce is complete in itself, and exists whenever the subject exists, whether within boundaries of state or states, that this power may be exercised to its utmost extent and acknowledges no limitations other than those contained within the constitution. Owing to the nature of this power, it has been held that it rests exclusively in Congress. The object in granting the power was to do away with discrimination and

permit uniformity. It is evident that this could not be accomplished with the authority to regulate residing in more than one source. When Congress fails to regulate commerce between the states, it necessarily follows where the power is exclusive, that commerce between the states must be free from any restriction whatsoever.

Plainly there is a conflict between these two powers. Evidently, foreseeing it, there was inserted in the constitution this provision: "The Constitution of the United States and the laws made in pursuance thereof, are the supreme law of the land, \* \* \* and the judges in every state shall be bound thereby; anything in the Constitution or laws of any state to the contrary, notwithstanding."

Hence it was held by the Supreme Court of the United States that the power conferred upon Congress to regulate commerce includes commerce carried on by corporations as well as commerce carried on by individuals.

Bearing in mind that this power to regulate commerce is exclusively vested in Congress, it is thus obvious that any legislative enactment which restricts or prohibits commerce among the several states is void, as being repugnant to the supreme law of the land. The Supreme Court of the United States has so held in a large number of decisions, two or three of which I will mention briefly.

In *Cooper vs. Ferguson*, 113 U. S., a corporation of Ohio, through its salesman made a contract in Colorado, whereby the Ohio corporation agreed to make and ship into Colorado a piece of machinery. They do so, without complying with the Colorado statute, which prohibits foreign corporations from doing any business in the state, unless it file its articles, etc. They sue on the claim, and the Colorado debtor as a defense sets up the failure of the Ohio corporation to comply with the Colorado law. The Supreme Court of the United States held that the statute could not be construed so as to impose upon a foreign corporation limitations of its right to make contracts in the state for carrying on commerce between the states, for that would make the act an invasion of the exclusive right of Congress to regulate commerce among the several states. They did not hold the law of Colorado to embrace contracts in any way affecting interstate commerce. And they intimated that if the Colorado courts had heretofore construed the statute to embrace interstate commerce transactions, that it would be held void as being a regulation of commerce among the states.

In *Crutcher vs. Kentucky*, 141 U. S., the legislature of that state had prohibited any agent of a foreign express company (a corporation) from doing business in the state, unless the company first filed certain statements with the auditor, together with the fee. Crutcher, the express agent, was convicted and fined, for his company had failed to comply with the Kentucky laws. The case reached the Supreme Court of the United States, and that court reversing the Kentucky courts, held the statute unconstitutional and void as an interference with commerce between the states. The court said: "If a partnership firm of individuals should undertake to carry on the business of interstate commerce between Kentucky and other states, it would not be within the province of the state legislature to exact conditions on which they should carry on their business or require them to take out a license therefor. To carry on interstate commerce is not a franchise or a privilege to be granted by the state. It is a right which every citizen of the United States is entitled to exercise under the constitution and laws of the United States; and the accession of mere corporate facilities as a matter of convenience in carrying on their business, can not have the effect of depriving them of such right unless Congress should see fit to interpose some contrary

regulation on the subject. \* \* \* These regulations are clearly a burden and restriction upon interstate commerce. The statutes were held void."

Furthermore, this lack of the power of the states to regulate interstate commerce has no reference to whether or not there is discrimination between a domestic corporation and a foreign corporation. Interstate commerce cannot be taxed or restricted at all by a state.

This was made very plain in the license and tax cases which have at various times been brought before the Supreme Court. States and cities have oftentimes exacted a license fee from peddlars and drummers carrying samples and soliciting or canvassing for certain books, fixtures, etc. Where these laws have been applied to drummers, taking orders for goods which are to be shipped at a future date, from a point without the state to a point within the state, the Supreme Court of the United States has invariably held such statutes void, even though no discrimination was made between drummers of domestic corporations and drummers of foreign corporations.

From the foregoing, we deduce the following:

That a state as the result of its right to create a corporation has the consequent right to restrict or prohibit a foreign corporation from doing any business whatsoever within the state; and that foreign corporations which have not complied with the laws of that state, and which are doing business within the state, must pay the penalty. But this right is subject to this exception: That no state can pass any laws which place any tax or restriction whatsoever upon the right of a foreign corporation to do an interstate business. And where these statutes have been construed by the state courts to cover interstate transactions, they are void as being repugnant to the Supreme Law of the Land.

It thus seems clear that a corporation of Minnesota, can make valid contracts involving interstate transactions, and can ship into any other state of the United States, such goods and merchandise as it may have contracted to deliver to its customer residing in another state. That this can be done without complying with the foreign corporation laws of the state in which the contract is made and into which the goods are shipped.

Thus did the members of the Constitutional Convention, and the Supreme Court of the United States, in construing the constitution, cement the United States of that period into a "more perfect union" the United States of to-day.

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#### **A Complex Case in which the Sales in Bulk Law and the Adjustment Bureau of the Association were Factors in Gaining a Favorable Settlement.**

The following is an outline of a settlement made by the Northwestern Jobbers' Credit Bureau, which is the name of the Adjustment Bureau operated under the direction of the Credit Men's Associations at Minneapolis and St. Paul.

A merchant in North Dakota in December, 1907, owned a stock of merchandise the cash value of which did not exceed \$2,000. It was subject to a chattel mortgage for \$900. Upon it he could claim an exemption of \$1,000. He owned also a store building, which was subject to mechanics' liens for \$600 and was mortgaged for \$600, which left practically no equity in case of forced sale. He owned a quarter section of land, which he purchased for \$3,700, and on which he owed about \$2,500. This he could claim as a homestead. His book accounts collectable were worth not more than \$200.

On December 28th, without giving notice to creditors, this merchant

traded the above equities for a half section of land in Richland County, North Dakota, which was subject to a mortgage of \$2,500. The half section was fairly worth about \$8,000. He had agreed to give a second mortgage on this land for \$2,100 and a third mortgage for \$1,500. The papers were actually made out and the deal closed.

About January 20th the Adjustment Bureau was called upon to act in the matter, and make an investigation and settlement. By means of the North Dakota sales in bulk law, and by maintaining a consistent and determined stand for the rights of the creditors, the Bureau succeeded in obtaining for all the creditors a settlement of fifty cents on the dollar, in cash, and also obtained security for the balance of the claims, by real estate mortgage on the half section of land above mentioned, running one year at seven per cent., on notes signed by the debtor and the purchaser. This mortgage became a second mortgage on the half section of land described.

At a total expense of about four per cent. a settlement in full was secured for creditors with claims totaling about \$3,300.

#### **TIMELY LETTERS ON TRADE CONDITIONS AND PROSPECTS.**

That the country is making steady if not rapid progress in readjusting itself and in overcoming the results of the shock of the October panic is evidenced by the letters printed herewith.

In addition the National office just before the BULLETIN closed its forms received the following communication from Butte, Montana, written evidently with a great sense of satisfaction: "Mines and smelters resumed March second." This will bring great relief to the business men of that state who have been virtually carrying the retailers along during the period of paralysis in the state's main industry.

FROM PAUL WAPLES, PRESIDENT OF THE WAPLES-PLATTER GROCER CO.,  
FORT WORTH, TEXAS.

The panic of last October struck the commercial and banking interests of this state at a most unfortunate period. The banks have loaned largely through the summer, expecting prompt repayment from the sale of cotton in October and November, and the merchants, anticipating a large volume of trade, found themselves loaded with enormous stocks, and all of their purchases coming due during the months of October, November and December. This, of course, produced commercial paralysis for a while, but gradually, as cotton began to move and banks began to find relief, the situation improved steadily, and has continued to do so up to the present time, so that now our banks are well provided with an abundant surplus to take care of the commercial interests of the state; but, unfortunately, the loss of trade during the fall months to the merchants left them all heavily overstocked, and it will take another crop before they can be fully relieved of this burden.

Confidence has been thoroughly restored throughout the state, and a feeling of optimism prevails with all classes of merchants and bankers.

It is too early to forecast with accuracy what the crop is going to be, but we are far enough along to feel very hopeful of an excellent crop throughout the state. We have had, during the winter, an abundance of rain everywhere, which puts the soil in most excellent planting condition. In addition to this, a mild and open winter has enabled the farmers to prepare their ground better and earlier than for the past ten years. A large acreage of corn is being planted, and with such an early start, gives promise for an abundant crop, since early planting in corn always means very probably escape from drought later on in the season.

The same is true of cotton. All the indications are that cotton will be earlier this season than for the past five years, and the acreage will be very greatly increased over last year.

Upon the whole, it is my opinion that for the past five years the crop outlook, at this date, has not been so promising, and with a reasonable amount of rainfall from now until July 1st, Texas has excellent prospects of raising a "bumper" crop.

MERCHANTS of all kinds are very conservative, and are collecting in their resources and strengthening themselves as far as possible, and they will continue to do so until the crop situation is assured.

It goes without saying that if Texas should raise a good crop, with the prices for all products now prevailing, the coming fall will be one of unusual prosperity.

FROM FRANK T. DAY, OF HAVEN & GEDDES CO., INDIANAPOLIS, INDIANA.

I am gratified to report marked indications of rapid recovery from the business depression of the past few months. The restoration of faith in the stability of prices resultant from recent readjustments in various lines is being evidenced in a very gratifying volume of orders for this time of year. In some lines of trade in this section, a heavier volume of business than ever before is reported as the result of a tendency on the part of both country and city merchants to localize their purchases to a greater extent than heretofore.

With our large agricultural interests, which have been affected only very slightly and the resumption of manufacturing which is now reported to be running on about a three-fourths ratio of normal production, we may say that business conditions and the trade outlook in this section give us every reason to look forward to a very successful spring season.

FROM FREDERICK WHITTLESEY, BUFFALO, N. Y.

In the grocery and provision line I find that trade is fully up to the average for the past five years, with collections somewhat slow but not to an alarming extent. The outlook seems to be for a continuance of present satisfactory conditions. The dry goods and clothing line report stocks low throughout the country with a disposition on the part of dealers to buy for immediate wants. But the feeling is that business for the next six months will be fully up to the average, only that orders will average smaller in amount and be more frequent.

The hardware trade reports business dull for January and February, but prospects very good for business during the next three months. Collections are slow. A volume of business fully up to the average of the past five years is looked for from now on.

The boot and shoe line reports business not up to 1907, which was a phenomenal year, but fully up to 1906.

Lumber dealers report business very poor—partly owing to financial depression, but also due largely to steady winter weather, which would, under the best financial circumstances, prevent the moving of much lumber. Collections are also slow, which is partly accounted for by the weather, which has put a quietus on building enterprises, preventing builders from securing payment on buildings in process of construction.

In general, firms selling in agricultural districts report business to be fully up to last year, while those selling in manufacturing towns report some falling off in business, as compared with the year 1907. The belief seems to be general that 1908, while not making as good as showing as 1907, will be fully up to the average of the past five years.

The farmers throughout this section have more money than they have had for years, and prices of farm products are high. This I regard as a most favorable condition to the early restoration of confidence and the resuming of business on a firm basis.

The real wealth of the country being larger than ever before in the history of the nation, it cannot be long before the confidence, shaken by the exposures and stock juggling transactions, will be restored.

FROM DAVID S. LUDLUM, PHILADELPHIA, PA.

The disaster wrought to general business interests by the October, 1907, panic seems to have spent its real force by about January 1st. Up to that time the volume of business throughout the country had fallen off to a tremendous extent, but this falling off seems to have reached the maximum by January 1st and there has been a daily improvement since that time. This improvement during the last three weeks is more marked than the improvement during the prior weeks of this year.

The general tendency throughout the country to reduce stocks of merchandise, both raw and manufactured, and the closer scrutiny of credits, both of which will result in a general reduction of liabilities, cannot but result in getting conditions on a sounder basis, and that the balance sheets of our various business enterprises on January 1st, 1909, will show a more really healthy condition generally than they showed in January, 1906, 1907 and 1908, there can be no question. While I do not look for any large volume of business, I believe that the figures of volume for 1908 will follow closely those for 1907, and the loss in volume which occurred in the last three months of the year will be distributed over the entire twelve. Therefore, while at the present time a less amount of business is being done than in the spring of 1907, a larger percentage of business will be done in the fall of 1908 than was done in the fall of 1907. This condition of affairs should apply to almost every line, exclusive of what could be classed as construction and building lines, which will be slower to recover than general merchandise, but they, too, will recover upon a more healthy basis.

FROM WILLIAM ORGILL OF ORGILL BROTHERS & CO., MEMPHIS, TENN.

The trade conditions in the Memphis territory have held up remarkably well right along, in spite of the financial disturbance of the past few months. The lumber interests were seriously affected during the fall and a large number of mills were shut down, but their condition has improved very greatly during the past month and the majority of these mills have resumed and are now running on full time, with satisfactory prospects for future business. With the above exception, business has been satisfactory.

The yield of cotton is good and the price high, thus enabling the farming interest to pay their debts and have money to spend. The volume of business has been well up to the average and the collections for the most part very good.

The prospects seem bright for a good business during the next few months, in spite of the fact that bank deposits are still low and the discount rate slightly higher than usual.

FROM E. L. MCCLURE, OF MAXWELL-MCCLURE-FITTS DRY GOODS CO., KANSAS CITY, MISSOURI.

In the dry goods line two conditions have interfered very much with trade during the past four months, first the panic fright came upon us early in November and stopped a great many consumers from making their usual fall purchases. If nothing had happened they would have been amply able to have made their purchases as usual.

Then when we reached December and January the extremely warm weather for that season of the year made it possible for consumers to get along without replenishing their supply of wearing apparel. Consequently the retailer was forced to carry over a much heavier stock than he had planned to do.

This has reacted upon the wholesaler because at the present time a large majority of retail dealers are not prepared to buy spring goods from the fact that they are putting forth every effort to liquidate their indebtedness made for fall stock.

The farmer is in good shape, having had abundant crops for several years, getting good prices for his products and as soon as the retailer can get his stock where he can handle it, in our opinion business in the dry goods line will revive. Merchants who have kept themselves free from the burden of debt are buying in their usual way, and it is only those who have been free in their purchasing in the past who are now especially suffering.

Collections have kept up remarkably well, indicating that all merchants have put forth an extra effort to adjust themselves to the new conditions. The policy which merchants are now adopting is one that is known to the trade as "from hand to mouth," and if this is rigidly adhered to, merchants who are good managers will soon get themselves in excellent shape. We do not expect a boom, but we do expect a healthy demand for merchandise.

FROM E. H. MORGAN, OF C. B. NORTON JEWELRY CO., KANSAS CITY, MISSOURI.

The jewelry trade is affected probably more seriously than any other line of business by a financial flurry or depression in general business.

Business for the past four months has been very unsatisfactory, and our sales have fallen off very materially, and our collections have also been very poor. January is settlement date for the jewelry business as a rule, and ordinarily our collections should run from 75 to 85 per cent. of the outstanding accounts, but January, this year, our collections were hardly 50 per cent. of outstanding accounts, and they have not improved much since the first of the year. The last two months our sales have fallen about 30 per cent. below last year, but the prospects are better for business in the near future, and we think collections will be the same.

FROM HENRY N. MILLS, OF RIDENOUR-BAKER GROCERY CO., KANSAS CITY, MISSOURI.

Relative to the trade conditions at present, we look forward to a good spring trade. The country is undoubtedly prosperous, there being a large amount of grain in the hands of the farmers, and plenty of live stock as well as other products, which will bring fair prices.

The prospect for wheat is good, having come through the winter in fine condition. There is plenty of moisture, and the soil is ready for spring seeding. While trade conditions are not as lively as they were during the spring months of 1907, we think they are safer on account of the merchants being more conservative, both in buying and extending credit.

Our collections have been good and we believe the favorable conditions will continue throughout the season.

FROM H. G. MOORE, OF BIG FOUR IMPLEMENT CO., KANSAS CITY, MISSOURI.

We feel that matters are brightening up quite a little and should continue to do so.

We have a good part of a crop still unmarketed and our banks have such ample resources, that as we are recovering from the present financial troubles we think gradually but surely, we should soon recover from their wide-spread effects upon business conditions.

Our people are not heavily in debt, as they were on previous occasions of this kind, and with good crops we see no reason why the West

should suffer, especially in the agricultural districts. Where the manufacturing and mining interests predominate things are very dull.

The writer has talked with a good many people in the last few weeks regarding prospects, and finds there is a decided and strong improvement and a feeling that these conditions should continue to improve, unless there should be a reversal of crop prospects, which now are so favorable.

#### LOCAL ASSOCIATION NOTES.

##### Atlanta.

The Credit Men's Association of Atlanta held a meeting February 27th, which was devoted almost exclusively to a study of methods of improving the banking laws of Georgia.

The discussion of the laws of the state governing banking was entered into by prominent business men, bankers and legislators, including Joseph A. McCord of the Third National Bank, R. E. Park, State Treasurer, and Claude C. Smith, representative in the legislature.

It seemed to be the general opinion that what is needed more than new banking laws is a more vigorous enforcing of those now on the statute books. Others declared for more rigid examination and publicity in bank affairs and the separation of the treasury and banking departments.

Future action by the association will be directed through its Legislative Committee who were directed to make further investigation.

Resolutions offered by a committee with D. H. Kirkland, chairman, suggesting for consideration a modification of the exemption laws upon more equitable basis, and another law governing firms doing business under fictitious or trade names, were adopted.

##### Buffalo.

The Buffalo Credit Men's Association held its annual dinner at the Iroquois Hotel, February thirteenth, with a large attendance.

The principal speakers were Charles R. Weirs, of the Larkin Company and Loran L. Lewis, Jr. Mr. Weirs, who is chief correspondent of the Larkin Co., read a paper on "Correspondence," which was listened to with the deepest interest. He showed of how great importance is the letter which goes forth to represent its sender and that no concern can afford to neglect in the slightest the correspondence of any of its departments. While what Mr. Weirs said was not directed especially to the credit man it contains much of importance to practically every mercantile house, and will be printed in a future issue of the BULLETIN.

Mr. Lewis spoke on "Old New York." He had collected a great number of lantern slides illustrative of old and new New York so that the changes in the various sections of the city were vividly brought before the audience.

##### Butte.

The Butte Association of Credit Men has been incorporated with a capital of \$3,000 for the purpose of operating an adjustment bureau in connection with the association. Incorporation papers were so drawn that the bureau can handle bankruptcy proceedings and assignments or take over in trust solvent or insolvent concerns. The policy will be to provide means of helping solvent houses temporarily in distress. Before the association was incorporated and during the recent months of financial disturbance it made four or five settlements which have proved highly satisfactory to all interested, and it is quite clear that the regular

organization of the association for adjustment work is going to strengthen the prestige of the association greatly in Montana.

The Butte Association of Credit Men had the pleasure of entertaining, on February 27, Secretary-Treasurer Charles E. Meek, Director A. C. Foster, of the National Association, and Charles Bayly, of the Denver Association, in their trip among the far western associations of credit men.

A banquet was given at the Silver Bow Club, with eighty-five members and guests present. The banquet hall was profusely decorated with carnations, smilax and palms. An orchestra rendered patriotic airs.

President Charles E. Virden was toastmaster, and in introducing Mr. Meek stated that Mr. Meek had done more than any one man to build up the great National Association of Credit Men. Mr. Meek responded, refusing to acknowledge that so much credit belongs to him for building up the Association. He said: "What has been accomplished has been done by the hard work of the entire membership. This has resulted in placing the Association on a high plane. The work was started thirteen years ago, when a few credit men got together at Toledo, Ohio, to consider how the credit men of the country might be brought into closer relations and might counteract the effect of fraudulent failures.

"It was planned to have local organizations, first in New York and the other large centers, and then throughout the country. Now there are local organizations in almost every state and territory in the United States."

Mr. Meek told of the passage of the "bulk" law by the Montana legislature a year ago, through the efforts of the credit men, and said that many states are still fighting to secure the passage of such a law. He illustrated the good that the law is doing wherever it is in force. The speaker told of many evil practices, trickeries and evils which have been destroyed through the efforts of the credit man. The latest work, Mr. Meek said, is along the lines of adjustment bureaus. Mr. Meek urged the attendance of Butte members at the convention of the National Association.

Mayor Corby spoke of the manner in which Butte had passed through the recent trying times of depression. He declared that the nerve with which his fellow citizens went through their troubles speaks eloquently for their loyalty and their calm confidence in the future of their city.

Mr. Foster spoke of the stability of the banks and business houses of Butte. As a banker he declared that he believed in no city of the country had the banks done better than in Butte, and in thanking his hosts for their hearty welcome and warm hospitality he urged all to come to Denver in June and partake of the joys and work of the convention to be held there.

Earl J. Murphy described the conditions in Montana, now that the jobbers are co-operating together in all credit matters, as contrasted with the days when no such co-operation existed. He said: "The days are over when a retailer in Butte is closed up and put out of business in a moment's notice. Our mission is to save, not to ruin, the retailer."

He urged state organization because, he said, Montana was on the verge of great expansion in the very infancy of its greatness. He also added that the association was so well known that eastern business houses were now perfectly content to let the association handle their claims. The affiliation with the National organization is a credential of fair dealing to all.

R. F. Casey, speaking on the Butte Association, gave some pertinent facts.

"The Butte organization is but a year old," said Mr. Casey. "In that year we have issued 3,000 trade reports; we passed the bulk sales law. In the beginning of the panic we met and banded together so that we might meet the conditions half way. By this action many financial embarrassments were obviated. In failures we agreed to share and share alike, and the result is we have practically had no failures.

"As a result of embarrassments in business we have handled as a body, liabilities amounting to \$37,230.36, and on this we realized 60 per cent. Under other conditions these liabilities would not have paid us 25 per cent.

Addresses were also made by C. C. Swinborne on "The Banker's Standpoint"; C. F. Kelley, Esq., on "The Legal Profession"; Charles Bayly on the "Denver Credit Men's Association," and W. W. Wadsworth on "The Press."

Two features of the visitors' stay here were a trip through the Clark smelters, and a descent into the bowels of the earth by means of the Original Mine. The party went to the two thousand foot level.

After the party started for Spokane definite news reached Butte of the decision to resume work at the smelters and mines, whereupon President Virden wired Secretary Meek as follows: "Come back. We will have another banquet. Mines and smelters resume March second."

#### Chicago.

At the January meeting of the Chicago Credit Men's Association, George Landis Wilson, manager of F. Cortez Wilson & Co., delivered an address on "What's Next in the Business Outlook." Mr. Wilson's address indicated a high order of analytical ability and a thorough knowledge of the Aldrich Emergency Currency Bill, which he condemned as a poor makeshift for the country to adopt. Mr. Wilson argued for the continental idea of the central bank of issue which he believed we would finally come to. Also he offered a suggestion for the relief of legitimate business through a trade clearing house in which debts and credits shall be set off against each other without going to the bank. The address has attracted wide publicity, and has been quoted by newspapers and commercial periodicals throughout the country.

#### Cleveland.

The Cleveland Association of Credit Men held its regular monthly meeting at the Hollenden Hotel on Wednesday, February 19th. There were 141 members and guests present. President Pearce having called the meeting to order, W. F. Lyon took the floor, and in a few expressions indicated the general regard and admiration in which the association held Mr. Pearce and presented him with a handsome, carved ivory gavel with silver mountings containing the inscription "J. B. Pearce, President of The Cleveland Association of Credit Men 1907-1908." Mr. Pearce acknowledged with gratitude the expression of regard and stated that the gavel would be a constant reminder to him of the loyalty of the association and the friendship of the members.

The treasurer, John R. Wyllie, read the financial report, showing the general account to have on hand \$521.17, and the Prosecution Fund \$266.00; total, \$787.17.

W. E. Clarke, chairman of the Legislative Committee, then made his report, referring to the Bulk Sales Bill, S. B. 428, which was coming

before the Senate at Columbus, within a short time, reading in this connection the resolution supporting the Bulk Sales Bill, adopted by The Cleveland Retail Credit Men's Association on February 18th. The Fictitious Name Bill, S. B. 377, Mr. Clarke stated, had been reported by the Judiciary Committee at Columbus, and would probably come up for action in the near future. This bill had also been endorsed by The Cleveland Retail Credit Men's Association on February 18th.

The Legislative Committee also stated that they were in favor of H. B. No. 712, which provides for the restriction of the use of the prefix "The" and the suffix "Co." to corporations only. The committee were also in favor of the following bills: H. B. 1049, relating to the refiling of chattel mortgages; S. B. 385, which provided that no deed or instrument of writing for the conveyance or encumbrance of any lands, tenements or hereditaments shall be received for filing or recording by any recorder until the status of the grantor or grantors as to marriage shall be designated in such instrument.

The committee also recommended that this association support the amendments to the National Bankruptcy Act prepared by the Bankruptcy Committee of the National Association now pending in the House of Representatives.

The following resolution was then offered by Mr. Clarke, seconded by Mr. Gaehr, and unanimously adopted:

"WHEREAS, The merchants, both wholesale and retail, throughout the State of Ohio, have suffered frequent losses through sales of stocks in bulk under questionable conditions, the results of such sales being the defrauding of creditors and the sacrificing of stocks of merchandise at prices far below their reasonable value, and ruinous to legitimate retail trade, and,

"WHEREAS, The law at the present time does not properly safeguard the interests of parties affected by such sales, be it

*Resolved*, That The Cleveland Association of Credit Men most earnestly endorse S. B. 428 now pending in the Legislature of Ohio, commonly known as Bulk Sales Bill, and respectfully and urgently requests the Senators and Representatives from Cuyahoga County to support the measure and to use their influence in its behalf, and that the Senators and Representatives be advised of this resolution."

O. M. Reams, of the Legislative Committee, then offered the following resolution, which was unanimously adopted:

"WHEREAS, The conducting of business under fictitious or assumed names, not disclosing the identity of the real parties in interest, is frequently used as a means of perpetrating fraud, and whereas, S. B. 377, commonly known as the Fictitious Name Bill, aims to regulate this practice, be it

*Resolved*, That The Cleveland Association of Credit Men heartily endorses said S. B. 377 and earnestly requests the Senators and Representatives from Cuyahoga County to support said S. B. 377 and to use their influence in its behalf, and that the Secretary mail copies to the Senators and Representatives."

Mr. Reams then offered the following resolution which was unanimously adopted:

"*Resolved*, That we recommend the enactment of the following bills:

"H. B. 712, by Representative Sawicki, restricting the use of the prefix 'The' and suffix 'Co.' to corporations only; and H. B. 951, by Representative Frizell, giving the creditors a right to elect a trustee in assignment cases where the creditors petitioning for an election of a trustee, own not less than \$1,000 of the debts, provided that the words in line 23 be changed to read: 'may proceed to the election of a trustee

or trustees a majority in value and number,' and provided further that the words 'if the Court approves the choice' in line 28 be stricken out; H. B. 1049, by Mr. Grover, relating to the refiling of chattel mortgages, and S. B. 385, by Mr. Vanover, regarding the recording of conveyances or incumbrances, and be it further resolved that the secretary mail a copy of these resolutions to each of the Senators and Representatives."

Mr. Reams then introduced the following resolution, which, having been seconded by Thos. P. Robbins, was unanimously adopted by the association:

"WHEREAS, This Association is of the opinion that in a country so commercial, and with so many states, and with almost every kind and every degree of business intercourse between citizens of the various states, a true policy and just views of public utility requires that so important a branch of commercial regulation as bankruptcy ought to be uniform throughout all the states, be it

*Resolved*, That The Cleveland Association of Credit Men does hereby unqualifiedly signify its approval of the present bankruptcy act as the best law yet obtained, and be it further

*Resolved*, That The Cleveland Association of Credit Men pledge its influence and support to the movement for the improvement of the said law by amendments now pending in Congress embodied in H. R. 13266, and that the secretary mail copies of these resolutions to the Hon. Jos. G. Cannon, Speaker of the House of Representatives, the Hon. Swager Sherley, each member of the House Judiciary Committee, each member of Congress from the State of Ohio, and the secretary of the National Association of Credit Men."

The Business Literature Committee by E. P. Beebe, Chairman, then called the attention of members to the number of valuable features to be found in the February National BULLETIN, especially the article on the Sale of Stocks of Goods in Bulk by B. G. Watson.

The secretary read a letter dated February 12th from F. M. Gettys, President of the National Association, urging the local associations to appoint delegates to the convention as early as possible, whereupon, A. L. Somers made the following resolution, which was adopted:

"That the Chair appoint a Nominating Committee of five (5) who shall select a list of one hundred (100) names to be voted on by mail ballot for delegates and alternates to the Denver convention in June, 1908 (the secretary to indicate on the ballot the number of delegates to which the Cleveland Association is entitled), and the members receiving the highest number of votes shall be declared delegates up to the requisite number, and an equal number receiving the next highest number of votes shall be declared alternates; and in case it is found impossible for a requisite number of delegates or alternates to attend the convention, the president is to have power to fill the places by appointment."

The Hon. Warren Thomas, of Warren, Ohio, then addressed the association on the subject, "Pending Legislation," speaking particularly of a number of matters of interest to business men in general now pending in the General Assembly at Columbus, Ohio.

The Rev. George Frederic Williams, Rector of the Episcopal Church of the Ascension, Lakewood, Ohio, made an address on the subject, "Humor as an Asset of the Business Man." He thoroughly maintained his reputation as being able to provoke "thirty laughs in thirty minutes."

#### Columbus.

On February 25th the Columbus Association of Credit Men held its monthly meeting. As usual an informal dinner was held at the Chittenden

Hotel, at which about seventy-five members and guests were present. After dinner had been served, President Perry presented communications from the National office regarding matters of fraud which had come to the attention of certain members, and which it was felt should be generally known.

The secretary gave a report of the work of the Legislative Committee and particularly discussed the proposed amendments to the Bankruptcy Law. He announced that the Sales in Bulk Law and the Fictitious Names Law had both passed the Ohio Senate and been referred to the House, where they are now in the hands of the proper committees. The secretary also reported very briefly on the work of the adjustment bureau during the past few months and gave a short resumé of the doings at the meeting of adjustment bureau managers just held at Philadelphia.

Following this the association was addressed by Hon. Warren Thomas, a representative of Trumbull County, Ohio, in the present legislature, chairman of the House Judiciary Committee and candidate for Attorney-General. The subject of the discussion was "Pending Legislation," particularly that affecting credit and business interests. He called attention to the splendid work that is being done along this line throughout the country and particularly discussed the Sales in Bulk Law, and the Fictitious Names Law, and the Bank Inspection Law, the last of which he had the honor of being the author of. His address was very interesting and was heartily received.

Following Mr. Thomas the association was addressed by Prof. J. E. Hagerty, Professor of Economics at the Ohio State University. Professor Hagerty told of the work being done under his direction in his university where he has a class regularly instructed in the subject of credits and credit information. He said that in addition to the lectures which he himself delivers and the authors which his students read, he has occasionally called in various members of the Columbus Association of Credit Men to deliver lectures to his classes on credit subjects, in order that the students may get into touch with practical work.

Following Professor Hagerty's address, J. B. Pearce and W. M. Pattison, members of the Cleveland Association of Credit Men, who had come to visit the legislature in the interest of the Sales in Bulk Law and the Fictitious Names Law, made highly interesting talks. Their addresses were heartily received, and at the conclusion of their excellent discussions a rising vote of thanks was tendered to all of the speakers for the pleasure of their presence.

In response Mr. Pearce, as president of the Cleveland Association, extended a courteous invitation to the Columbus Association to visit Cleveland, and stated that at an early meeting they expected to send a special car to Columbus for as many members of the Columbus Association as would attend.

#### Denver.

The Denver Credit Men's Association held a meeting February 24th at the Colorado Traffic Club. In the absence of President R. R. Gillette the meeting was presided over by Vice-President Chas. Bayly. There was a large representation of the membership.

Chas. E. Meek, secretary of the National Association, was present and gave assurances that the forthcoming convention to be held in Denver in June is to be the most largely attended of any of the previous conventions. Mr. Meek also went thoroughly into the bankruptcy amendments now before Congress. The meeting unanimously passed resolutions approving the proposed amendments.

The plans for the entertainment of the delegates to the Convention were thoroughly discussed, and the lists of the various committees responsible for the success of the convention presented. There are to be committees on transportation, finance, entertainment, hotel, publicity and printing, badges and reception.

There was a general discussion regarding the investigation and prosecution fund, the result of which was the appointment of a committee to revise the rules governing the fund with the object of broadening the scope of its administration.

The Membership Committee presented the names of several new applicants for membership who were elected and received into the association.

#### Detroit.

The Detroit Credit Men's Association held its monthly meeting February 25th at Duffield Hall.

H. H. Smith, chairman of the Membership Committee, in addressing the meeting said: "I have less of a report to make than a prayer. It is that every one of you may file with me your card, bearing also the name of a friend of yours whom we can approach as a possible member of the Credit Men's Association. Lots of good men want only the asking, and we must all make an effort to find them out and get them in."

President Hobbs heartily seconded Mr. Smith's suggestion, and every effort will be made to have the association entitled to increased representation at the next convention of the National Association.

The principal speakers were F. F. Ingram a delegate to the Constitutional Convention of the State of Michigan, and Paul Leake, financial editor of *The Free Press*.

Mr. Ingram cited two items which will be important for the people if the Constitution is adopted, namely, the provision that makes it necessary that bills be printed for five days in both houses of the legislature before action is taken, and that requiring a period of ninety days before any act can take effect—measures intended to do away with "railroading" methods in the law-making bodies.

Mr. Leake's address was "Judging of Credits, a Profession." He said the general public had but little conception of the real functions of credit men and none of their far-reaching power in the world of business. The credit men, he declared, subject to a review by the heads of the firm or corporations passed upon the integrity, business ability, and field of activity of those who seek to do business, and as credit is the keystone of modern commerce this responsibility and power is difficult to overestimate. The field of investigation and study necessary to equip the credit men for this great responsibility, Mr. Leake pointed out, is unlimited, as practically no subject under the sun that has a bearing upon human life does not in some way bear upon business problems.

"The credit man," said Mr. Leake, "must be trained to observe and draw the right conclusions in such questions as crop prospects, effects of weather conditions, industrial conditions, home and international politics, and the larger his view of affairs is the larger will be his power of helpfulness to his concern in its upbuilding and safeguarding."

#### Lexington.

At a meeting of the Lexington Credit Men's Association held March 4th, a resolution was adopted authorizing the organizing of an adjustment bureau after the plans now in operation in other affiliated branches of the National Association of Credit Men. The territory to

be covered is Kentucky, east of Frankfort, so that there will not be conflict with the Louisville Association which covers the western part of the state.

#### Louisville.

An informal dinner was given at the Galt House by the Louisville Credit Men's Association, on the evening of February 25th. One of the chief objects of the meeting was to stir up interest in the approaching convention of the National Association at Denver, and it was announced that authority had been given by the Board of Directors to guarantee to the member who secures before May first the largest number of applications for membership in the Louisville Association his expenses to the convention. The chairman of the Membership Committee declared that the members of the association must not rest satisfied until two hundred members are on the roll. Those at the meeting responded heartily to this call for action.

The association had as its guests on this occasion Judge R. C. Kinkead, referee in bankruptcy for this district, and John H. Leathers, cashier of the Louisville National Banking Co.

Judge Kinkead talked very instructively of his experiences under the Bankruptcy Act, and paid a very high compliment to the Bankruptcy Committee of the National Association when he said that "in all his experience he had never seen a proposition so ably worked out as the proposed amendments to the National Bankruptcy Act embodied in H. R. 13266." He gave his full endorsement to this bill.

Mr. Leathers told how the Louisville banks, working through their Clearing House, had withstood the recent panic. He said it might well be a cause for pride among its citizens that Louisville was one of the few cities, and perhaps the only city of any importance in the country, that went through the panic without issuing clearing house certificates or cashier's checks in lieu of currency for the use of the public, and there never was a time in which the banks refused to pay out currency for any reasonable demand.

President F. M. Gettys, of the National Association, gave a stirring address in which he urged the members to bring to the association more fully the interest of heads of houses, and it was decided to call a meeting with just this purpose in view.

#### Pittsburgh.

The meeting of the Pittsburgh Association of Credit Men, held February twentieth, was in charge of the Adjustment Bureau Committee. Thomas H. Sheppard, as chairman of the committee, acted as toastmaster.

The principal address was made by A. C. Ellis, under whom the Adjustment Bureau of the Pittsburgh Association has recently been reorganized. He outlined the plans of the bureau to increase its usefulness and discussed matters brought up at the Philadelphia Conference of Adjustment Bureau Managers, held February 11 and 12.

#### Rochester.

The Rochester Credit Men's Association held a meeting February 27 at the rooms of the Chamber of Commerce. George G. Ford, on behalf of the Legislative Committee, spoke of the plans being arranged to introduce into the legislature a bill to amend the chattel mortgage law, by requiring the filing of a copy of the mortgage in the county clerk's office, as well as in the town clerk's office. The firm opposition of the association to any changes in the statute which may tend to reduce the effectiveness of the federal bankruptcy law was evident, and the proposed amendatory act, known as H. R. 13266, was approved.

The event of the evening was the address of Charles R. Weirs, of Buffalo, on "The Ethics of a Business Letter." It was an address full of suggestion for every business man and was an inspiration to all to pay more attention to the correspondence phase of their business. The meeting was followed by a luncheon.

#### St. Louis.

The principal matter of interest before the meeting of the St. Louis Credit Men's Association held February 20th, was the report of the Committee on Revision of the Constitution and By-laws covering amendments proposed to the Executive Committee.

Resolutions were also passed approving the Sherley Bankruptcy Bill now before the Judiciary Committee of the House of Representatives and the bill pending before the Mississippi legislature which aims to regulate the sale in bulk of stocks of goods obtained on credit.

#### St. Paul.

There was a large attendance at the February eleventh meeting of the St. Paul Credit Men's Association. A communication from the Bankruptcy Committee of the National Association regarding the proposed amendments to the National Bankruptcy Act was presented and referred to the Legislative Committee with authority to act upon the suggestions contained in the communication.

After the chairman had announced the appointments of committees for the year 1908 the members listened to an interesting talk by J. W. Cooper, of Griggs, Cooper & Co., on "What commercial organizations through co-operation can do toward building up the markets of the Northwest." Mr. Cooper's talk was so practical and suggestive that the Committee on Meetings has decided to ask business and professional men of prominence to address the association frequently on live business topics, specially of local interest.

#### Spokane.

The Spokane Merchants' Association entertained Secretary-Treasurer Charles E. Meek and A. C. Foster, director of the National Association, and Charles Bayly, vice-president of the Denver Credit Men's Association, at a smoker, February 29. A. W. Doland, president of the Spokane Association, presided.

Mr. Foster spoke on the cause of the panic, which he said was over-expansion all over the country. He said, "Any man who uses capital which is needed in his business for outside investment is speculating, and any man who buys more stock than his business warrants is over-expanding," and these are the things which men everywhere had been doing down to the fall of last year.

Mr. Meek told of the work which the National Association has been enabled to do through its sixty-four local affiliated branches in legislation, state and national, and in arousing in every section of the country an interest in proper credit methods. He pointed the way to further work for credit men everywhere, in righting what are still wrong conditions for the credit man to work under.

Thomas H. Brewer, vice-president of the Fidelity National Bank, said that he represented the bankers of Spokane who had seen the power there is in an association of credit men to help the banking business.

Secretary Campbell, of the Spokane Association, urged increased co-operation on the part of all members in the adjustment bureau work of the association.

Secretary Meek and his party were entertained during the afternoon of their stay in viewing the city from an automobile.

### Toledo.

Over fifty members attended the February meeting of the Toledo Association of Credit Men. The principal address of the evening was delivered by M. M. Miller, vice-president of the Home Savings Bank.

"National and State Banking Legislation" was the subject discussed by Mr. Miller. His remarks were confined, in the main, to the salient points in the Aldrich bill and the Thomas banking bill, the latter being a measure recently introduced in the House of Representatives at Columbus.

Following this was an informal discussion as to the merits of the bankruptcy laws and the adoption of a resolution endorsing the proposed amendments prepared by the Bankruptcy Committee of the National Association.

L. B. Hall, the secretary, also gave an extended report of the annual convention of the secretaries and managers of adjustment bureaus, which was held at Philadelphia.

He also stated that the true worth of the local association is being appreciated by bankers, manufacturers and merchants of Toledo as evidenced by the addition of 20 new members since the last meeting in December.

At this meeting preliminary steps were taken to establish an information bureau as an adjunct to the association—same to co-operate with similar bureaus in other cities and furnish the members information as to the credit of customers.

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### WANTS.

**CREDIT MAN**—Collection and office manager, age 38, with fifteen years' experience in wholesale lines, for good reasons desires to form a new connection. Bad debt record and credit insurance rate is very low. Prefer a location in the South or West. Address X. X. L., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—A position by a party who has had eight years' experience in general office work with both manufacturers and jobbers. Is well equipped to handle credit work successfully or undertake general office management. Is now employed, but desires a field offering larger opportunities. Correspondence is solicited, addressing R. W. J., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Position as treasurer or financial and credit man by a capable and experienced man. Have had over 20 years' experience in banking business and in handling credits. Can furnish some capital and give highest references. Correspondence solicited. J. C. O., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN OPPORTUNITY** is open in a large wholesale grocery house in a middle Western State for a young man to become assistant to the treasurer. A man under thirty is preferred, who has capacity to handle a large amount of detail work and at the same time is capable of winning his way with customers as he meets them in investigating and making collections. The immediate salary is a matter for negotiation, but the opportunity calls for a man who has the breadth of make-up and ambition to work to a high position. Address I. C. Y., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN OPENING** is wanted by a party who has had twelve years of experience in credits and collections. His experience has been mainly in the wagon, bicycle, automobile and allied lines, which branches are recognized as among the

hardest for credit men. Can direct an accounting department. Would prefer a position with a large house desiring additional assistance in its credit department or with a house purposing to establish a credit department. References covering character, ability and experience and any other information will be gladly furnished. Address K. O. S., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**, by one thoroughly versed in credits through many years connection with a banking institution in which he was given large responsibility in making loans, a position where his experience would count. Preference is to connect with a large mercantile house. The best of references will be given and will be to those who have known the applicant in his work. Address A. S. H., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Man of forty-two with wide mercantile, office and selling and some advertising experience, desires position where ability will count. Now employed as credit man but can handle larger interests. Has managed branch houses. Thoroughly familiar with modern office systems; capable of managing a large office. East preferred. Address A. A. B., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—By a party who is assistant manager in the collection department of a house having a very large number of accounts, and who has entire charge of the legal end of this department, an opening as credit and collection man, where there is a chance for recognition and advancement. Applicant is an accountant versed in commercial law, has had eleven years of experience in credits and collections, and has handled successfully business correspondence. Can furnish the best of references. Middle or far west is preferred. Address M. R. Y., care Chas. E. Meek, 41 Park Row, New York, N. Y.

## STANDING COMMITTEES, 1907-1908.

### LEGISLATIVE COMMITTEE

A. J. Gaehr, Chairman, The Geo. Worthington Co., Cleveland, Ohio.  
R. A. Porter, Goodall, Brown & Co., Birmingham, Ala.  
Robert S. Teague, Teague & Sons, Montgomery, Ala.  
Jas. J. Mandelbaum, Fones Bros. Hdw. Co., Little Rock, Ark.  
J. D. Simpson, Simpson & Hack Fruit Co., Los Angeles, Cal.  
W. M. Gray, Brunswick Drug Co., San Diego, Cal.  
Albert Kahn, McNutt & Kahn, San Francisco, Cal.  
Jno. Callis, R. G. Dun & Co., Denver, Col.  
Guy P. Miller, Bridgeport Brass Co., Bridgeport, Conn.  
E. N. Wead, E. I. Dupont de Nemours Powder Co., Wilmington, Del.  
J. D. Holmes, Baker & Holmes Co., Jacksonville, Fla.  
David H. Kirkland, J. K. Orr Shoe Co., Atlanta, Ga.  
W. R. Finegan, Jas. Rosenheim & Sons, Savannah, Ga.  
Court J. Northrop, Northrop Hardware Co., Boise, Idaho.  
W. J. Lipsey, Carter & Holmes, Chicago, Ill.  
Frank H. Gohman, Hide, Leather and Belting Co., Indianapolis, Ind.  
W. L. Brown, Brown-Hurley Hdw. Co., Des Moines, Iowa.  
E. C. Currier, Hansen Glass and Paint Co., Sioux City, Iowa.  
John B. House, Lehman-Higgins Gro. Co., Wichita, Kan.  
Joseph Le Compte, Lexington Roller Mills Co., Lexington, Ky.

W. H. Bradbury, Carter Dry Goods Co., Louisville, Ky.  
W. E. Lovejoy, Fairbanks Co., New Orleans, La.  
Geo. F. Pitt, The Twitchell-Champlin Co., Portland, Me.  
Sylvan Hayes Lauchheimer, 111 No. Charles St., Baltimore, Md.  
Fred L. Howard, C. A. Browning & Co., Boston, Mass.  
Frank R. Hamburger, Hamburger & Silberman, Detroit, Mich.  
Walter K. Plumb, National Biscuit Co., Grand Rapids, Mich.  
Daniel Waite, Blake & Waite Co., Duluth, Minn.  
Jas. F. Jordan, Wyman, Partridge & Co., Minneapolis, Minn.  
D. P. Whyte, Finch, Van Slyck & McConville, St. Paul, Minn.  
Samuel Rothenberg, Marks-Rothenberg Co., Meridian, Miss.  
F. W. Yale, 770 Gibraltar Bldg., Kansas City, Mo.  
T. P. Holland, Tootle, Wheeler & Motter Merc. Co., St. Joseph, Mo.  
E. S. Murphy, Geo. W. Perry & Co., St. Louis, Mo.  
Chas. E. Beebe, Beebe Grain Co., Butte, Mont.  
W. A. Selleck, Western Supply Co., Lincoln, Neb.  
F. E. Pearce, Paxton & Gallagher Co., Omaha, Neb.  
Walter Wright, Gray, Reid, Wright Co., Reno, Nev.  
Chas. T. Page, Page Belting Co., Concord, N. H.  
C. R. Burnett, American Oil & Supply Co., Newark, N. J.  
C. C. Robbins, Gross, Kelly & Co., Las Vegas, N. M.

## STANDING COMMITTEES, 1907-1908—Continued.

M. E. Preisch, Haines Lumber Co., Buffalo, N. Y.  
 M. E. Bannie, Converse, Stanton & Co., New York, N. Y.  
 Geo. G. Ford, Lewis P. Ross, Rochester, N. Y.  
 C. F. Polk, Polk & Calder Drug Co., Troy, N. Y.  
 J. Norman Wills, Odell Hdw. Co., Greensboro, N. C.  
 Nelson A. Burdick, Hall-Robertson Hdw. Co., Fargo, N. D.  
 W. B. Johnston, The P. R. Mitchell Co., Cincinnati, Ohio.  
 B. G. Watson, Watson, Stouffer, Davis & Headley, Columbus, Ohio.  
 E. W. Eastell, Ainsworth Shoe Co., Toledo, Ohio.  
 A. D. Thomas, J. R. Thomas' Sons, Youngstown, Ohio.  
 J. E. O'Neil, Richards & Conover Hdw. Co., Oklahoma City, Okla.  
 Ralph W. Hoyt, Merchants' National Bank, Portland, Ore.  
 Clayton F. Shoemaker, Shoemaker & Busch, Philadelphia, Pa.  
 J. T. Montgomery, M. A. Mead & Co., Pittsburgh, Pa.  
 Howard Slade, Westcott, Slade & Balcom Co., Providence, R. I.  
 E. H. Fincken, Fincken-Jordan Co., Charles-ton, S. C.  
 Wm. Koenig, Jr., Andrew Kuehn Co., Sioux Falls, S. D.  
 G. G. Fletcher, Stagemaier & Fletcher, Chattanooga, Tenn.  
 J. W. Apperson, 11 No. Main St., Memphis, Tenn.  
 W. H. Williamson, Nashville, Tenn.  
 Julius Krakauer, Krakauer, Zork & Moye, El Paso, Texas.  
 W. P. Peter, 214 Linz Bldg., Dallas, Texas.  
 F. M. Rogers, Medlin Milling Co., Ft. Worth, Texas.  
 Sterling Myer, Hunt, Myer & Townes, Houston, Tex.  
 S. B. Weller, Newton, Weller & Wagner Co., San Antonio, Texas.  
 Willard Scowcroft, John Scowcroft & Sons, Ogden, Utah.  
 W. E. Greene, W. E. Greene Co., Burlington, Vt.  
 John C. Dabney, Geo. D. Witt Shoe Co., Lynchburg, Va.  
 H. S. Binswanger, Binswanger & Co., Richmond, Va.  
 Fred T. Fischer, Fischer Bros., Seattle, Wash.  
 W. E. Cullen, Powell-Sanders Co., Spokane, Wash.  
 Clark Howell, Capital City Supply Co., Charleston, W. Va.  
 R. D. Barney, O'Neil Oil and Paint Co., Milwaukee, Wis.

**MEMBERSHIP COMMITTEE.**  
 A. H. Burt, Chairman, Burt & Sindel, Buffalo, N. Y.  
 N. B. Wood, N. B. Wood & Co., Buffalo, N. Y.  
 W. F. Lipp, Snow-Church Co., Buffalo, N. Y.  
 W. M. Thompson, Buffalo Wholesale Hdw. Co., Buffalo, N. Y.  
 Julius Levi, Enterprise Mfg. Co., Buffalo, N. Y.

**BUSINESS LITERATURE COMMITTEE.**  
 C. S. Faxon, Chairman, Carruthers-Jones Shoe Co., Memphis, Tenn.

### Directory of Officers of the Affiliated Branches of the National Association of Credit Men

**ATLANTA, GA.**—The Credit Men's Association of Atlanta. President, H. E. Choate, K. K. Orr Shoe Co.; Secretary, E. L. Rhodes, Ernest L. Rhodes & Co.

**BALTIMORE, MD.**—The Credit Men's Association of Baltimore. President, F. J. La Motte, The Chesapeake Shoe Co.; Secretary, S. D. Buck, Maryland National Bank Bldg.

**BIRMINGHAM, ALA.**—Birmingham Credit Men's Association. President, H. W. Coffin, Moore & Handley Hdw. Co.; Secretary, G. B. McVay, Amzi Godden Seed Co.; Assistant Secretary, R. H. Eggleston.

**BOISE, IDAHO.**—The Boise Association of Credit Men, Ltd. President, J. G. H. Graveley, Capital Brokerage and Comm. Co.; Secretary, Charles P. McCarthy, Room 1, Pioneer Bldg.

**BOSTON, MASS.**—Boston Credit Men's Association. President, Geo. H. Graves, Walworth Mfg. Co.; Secretary, Chas. L. Bird, 77 Summer Street.

**BUFFALO, N. Y.**—Buffalo Credit Men's Association. President, W. A. Joyce, W. H. Walker & Co.; Secretary, Fred Whittemore, 39 Erie Street.

**BUTTE, MONT.**—Butte Association of Credit Men. President, Chas. E. Virden, Ryan & Newton Co.; Secretary, R. Frank Casey, Casey Candy Co.

**CHARLESTON, S. C.**—Charleston Association of Credit Men. President, B. F. McLeod, Drake-Inness-Green Shoe Co.; Secretary, H. D. Luba, C. D. Franke & Co.

**CHARLESTON, W. VA.**—Charleston Association of Credit Men. President, C. C. Lewis, Jr., Lewis, Hubbard & Co.; Sec-Treas., C. F. Armitage, Payne Shoe Co.

**CHATTANOOGA, TENN.**—Chattanooga Association of Credit Men. President, J. H. Allison, J. H. Allison & Co.; Secretary, W. B. Royster, Chamber of Commerce.

**CHICAGO, ILL.**—The Chicago Credit Men's Association. President, Wm. J. McLellan, The N. K. Fairbank Co.; Secretary, John Griggs, 218 La Salle Street.

**CINCINNATI, O.**—The Cincinnati Credit Men's Association. President, Samuel Mayer, Isaac Faller's Sons Co.; Secretary, Henry Bentley, 1201 Union Trust Bldg.

**CLEVELAND, O.**—Cleveland Association of Credit Men. President, J. B. Pearce, J. B. Pearce Co.; Secretary, Kenneth R. Taylor, 81a Park Bldg.

**COLUMBUS, O.**—Columbus Credit Men's Association. President, O. H. Perry, Columbus Buggy Co.; Secretary, Benson G. Watson, 601-603 The New First National Bank Bldg.

**DALLAS, TEX.**—Dallas Association of Credit Men. President, H. P. McKnight, Texas Drug Co.; Secretary, W. P. Peter, 214-218 Line Bldg.

**DENVER, COLO.**—The Denver Credit Men's Association. President, R. R. Gillette, J. S. Brown & Bro. Merc. Co.; Secretary, Karl K. Mayer, Kuner Pickle Co.; Assistant Secretary, H. A. C. Mathew, 407-8 Sugar Bldg.

**DES MOINES, IOWA.**—Des Moines Credit Men's Association. President, L. L. French, New York Wall Paper & Stationery Co.; Secretary, D. M. Douglass, Bentley & Olmstead Co.

**DETROIT, MICH.**—Detroit Credit Men's Association. President, Edmund Hobbs, Detroit Heating and Lighting Co.; Secretary, W. S. Campbell, 94 Griswold St.

**DULUTH, MINN.**—The Jobbers' Credit Association (Duluth-Superior). President, W. B. Cross, F. A. Patrick & Co.; Assistant Secretary, F. H. Green, 303 Burrows Bldg.

**EL PASO, TEX.**—El Paso Association of Credit Men. President, James A. Dick, The James A. Dick Co.; Secretary, W. S. Crombie, W. S. Crombie & Co.

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**KANSAS CITY, MO.**—Kansas City Association of Credit Men. President, H. G. Moore, Big Four Implement Co.; Secretary, Frank W. Yale, 776 Gibraltar Bldg.

**LEXINGTON, KY.**—Lexington Credit Men's Association. President, R. D. Norwood, Curry, Tunis & Norwood; Secretary, C. L. Williamson, McClelland Bldg.

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**LOUISVILLE, KY.**—Louisville Credit Men's Association. President, J. H. Scales, The Belknap Hdw. and Mfg. Co.; Secretary, Walter Walker, U. S. Trust Co. Bldg.

**LYNCHBURG, VA.**—Lynchburg Credit Men's Association. President, N. B. Handy, N. B. Handy & Co.; Secretary, J. M. Funkhouser, Smith-Briscoe Shoe Company.

**MEMPHIS, TENN.**—The Memphis Credit Men's Association. President, C. S. Paxton, Carruthers-Jones Shoe Co.; Secretary, C. S. Dashill, Business Men's Club Bldg., 70-81 Monroe Ave.

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**MINNEAPOLIS, MINN.**—Minneapolis Credit Men's Association. President, J. P. Holliday, Hurty-Simmons Hardware Co.; Secretary, M. C. Badger, Patterson & Stevenson Co.

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**NORFOLK, VA.**—Norfolk Credit Men's Association. President, Chas. Hoofnagle, The Four Co.; Secretary, C. L. Conradt, Old Dominion Tobacco Co.; Assistant Secretary, H. N. Poulson.

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SAN FRANCISCO, CAL.—San Francisco Credit Men's Association, President, G. Brenner, Elkus-Brenner Co.; Secretary, Ben Armer, 2707 Sacramento Street.

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WICHITA, KAN.—Wichita Credit Men's Association, President, Willis Davis, Southwestern Drug Co.; Secretary, F. W. George, Shattuck-George Iron Co.

YOUNGSTOWN, O.—Youngstown Credit Men's Association, President, F. G. King, The Youngstown D. G. Co.; Secretary, Charles W. Gilgen, Chamber of Commerce.

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Bureaus for the adjustment of insolvent estates are operated in the following cities, under the authority and supervision of their local Associations of Credit Men. All are affiliated branches of the National Association of Credit Men. Address all communications on Adjustment Bureau matters to the parties named:

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ROCHESTER, N. Y.—(Manager not appointed.) 1008 Granite Building.

ST. JOSEPH, MO.—Sidney Beery, German-American Bank Building.

ST. LOUIS, MO.—A. H. Foote, 809 Mercantile Building.

ST. PAUL, MINN.—F. H. Sufel, 666 Gilfillen Block.

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